

FBIS

DAILY REPORT

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FURTHER REPORTAGE ON ESPIONAGE DISPUTE WITH CHILE

Chilean Army Said Displeased

PY041540 Buenos Aires TELAM in Spanish 2315 GMT 2 May 81

[Text] Mendoza, 2 May (TELAM)--The arrest of two Argentine officers and their wives 8 days ago and the unusual concealment of this event have reportedly created real displeasure in the Chilean Army, according to sources in this city who are well informed on the Chilean situation.

The sources indicated that the Chilean military personnel see this as open contradiction of the traditional ethical and moral values of the Chilean soldier historically based on the school of honor of the liberator armies of the Americas. It was reported that the displeasure is also based on the fact that women were involved in the operation with the same severe and exaggerated treatment.

Despite the fact that 8 days have passed since the arrest, Chilean military officials have not authorized the Argentine military attache to interview the two officers and this, the sources indicated, adds another aspect to the unusual characteristics of this case and its future evolution.

Border Pass Closed Again

PY041254 Buenos Aires TELAM in Spanish 1226 GMT 4 May 81

[Excerpt] Neuquen, 4 May (TELAM)--The El Rincon-Puyuhue border pass, which was opened yesterday morning to let about 200 Chilean tourists return to their country from San Carlos de Bariloche and nearby towns, was closed again today at 0800. This was reported to TELAM this morning at the headquarters of the 6th Mountain Infantry Brigade stationed in this city.

Foreign Minister on Arrests

PY041551 Buenos Aires TELAM in Spanish 1350 GMT 4 May 81

[Excerpt] Buenos Aires, 4 May (TELAM)--Referring to the kidnapping and subsequent arrest of two Argentine officers by Chilean authorities, Foreign Minister Oscar Camilion has asserted that this event seems to be a mere episode, but an episode of a nature which is not positive. He added that there is a climate surrounding the mediation it is not mediation carried out in the abstract. It is something carried out between two countries and it is important that the climate be maintained within these terms. But, he added, it must be reiterated that this was a mere episode.

Minister Camilion made this statement during the "Nuevo Dia" program on various subjects broadcast over Radio Mitre. He added that the correct steps have been taken regarding the event. He said that the reaction to an episode which was unusual is known. The main objective of what has been done up to now is to take precautions to prevent these episodes from happening again.

Regarding the Chilean accusation that the Argentine officers were carrying cameras and the denial by Mrs Barileau, Camilion asserted that we are absolutely certain it was really a routine incident. He said the people who live on the border are accustomed to frequently crossing over to Chile to do their shopping. It is absolutely certain that the couples were not carrying cameras.

Regarding the cancellation of his meeting with the Uruguayan foreign minister, Camilion said it is quite natural that it should cause concern, just as the cancellation of a military chief's visit would cause concern. But things are as they are and there is no more to it, he added.

Commanders Discuss Conflict

PY050151 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2133 GMT 4 May 81

[Text] Buenos Aires, 4 May (NA)--The office of the army commander in chief has issued the following communique on a meeting held by the army high-ranking officers to consider the situation of bilateral relations with Chile:

"As scheduled, the meeting of army major generals with the army commander in chief was held today, beginning at 1100, at the Libertador Building.

"At the meeting, Lt Gen Leopoldo Fortunato Galtieri gave the major generals an updated report on the recent measures adopted by the Argentina Government with regard to the Republic of Chile.

"For their part, the corps commanders briefed the army commander in chief on the status of the problem in their respective jurisdictions."

No Change in Situation Seen

PY042359 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2315 GMT 4 May 81

[Text] Buenos Aires, 4 May (NA)--The national government considers that since the situation created with Chile after the latest incident has not changed, no communique will be issued until "some development takes place," a Government House spokesman said tonight.

In a statement to newsmen, public information secretary Raul Ortiz stated that "that was a regrettable, unusual incident which surprised us but which apparently was well planned to produce certain effects." Ortiz reiterated that "there is absolutely neither the threat of an imminent conflict" nor a "cause for alarm."

Border Temporarily Opened

PY050055 Buenos Aires TELAM in Spanish 2325 GMT 4 May 81

[Excerpt] Mendoza, 4 May (TELAM)--Chilean tourists, who are the only ones authorized to cross the border to Chile, were able to return to their country today under absolutely normal circumstances.

In a report from Puente del Inca, it was reported tonight that it is possible to cross the mountain localities without any problem, despite the accumulation of snow which is 60 cm deep in Inca and 1 meter deep in Cuevas.

For their part, international transport enterprises which are charged with taking Chilean tourists back to their country have reported that they are authorized to make their regular trips to Chile to take Chilean tourists only until tomorrow.

Chilean Reply Unsatisfactory

PY050224 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0154 GMT 5 May 81

[Text] Buenos Aires, 4 May (NA)--Foreign Ministry spokesman Federico Erhart del Campo has stated that the Chilean reply to the strong Argentine protest over the detention of two military officers in that country "is far from being satisfactory." The spokesman said this conclusion "stems from a preliminary analysis" since the note will be studied in the next few hours by President Roberto Viola and the military committee.

Erhart del Campo said that the Chilean reply is not satisfactory with regard to the central issue of the Argentine protest, that is, "the reason claimed for the detention" and the fact that "the operation was kept secret for several days."

FURTHER REPORTAGE ON TITA OIL PLANT TAKEOVER

Hostages Reportedly Still Held

PY041523 Buenos Aires TELAM in Spanish 1446 GMT 4 May 81

[Excerpts] La Paz, 4 May (TELAM)--An ultraright group headed by Carlos Valverde Barbery is holding 52 hostages at the Tita oilfield, although the government has stated that it has brought the subversive outbreak under control. News from La Paz this morning indicated that Carlos Valverde Barbery, former minister under the Banzer administration and leader of the Bolivian Socialist Falange (FSB), is still holding the oil field he took over with 120 supporters yesterday.

There is radio communication from the Tita camp to the Occidental firm's headquarters in Santa Cruz, but it is under the rebel's control.

According to latest reports from Santa Cruz, units of the Special Forces Training Center (CITE) and a rangers regiment have surrounded the oil camp taken over by Valverde Barbery.

Here in La Paz, all is completely normal and quiet. The events in Santa Cruz were learned only through press reports today. Public and private activities are being carried out normally, including in Cochabamba and the mining centers of the country. Reports from Santa Cruz also indicated today that labor activities are normal in that city.

Commandos Thwarted by Weather

PY042113 Buenos Aires TELAM in Spanish 2025 GMT 4 May 81

[Text] Santa Cruz de la Sierra, 4 May (TELAM)--A commando operation planned to be carried out by special paratrooper forces against the La Tita oil field--which was taken over by a rightist subversive group Friday night--was called off this morning because of adverse weather conditions, according to sources of the 8th Army Division, the country's second most important division, which is headquartered in this city.

The La Tita oil field, located 130 kilometers from here, has been mined with explosive charges--so claim the subversives, who threatened to set them off if the government does not meet their demands, among others, that the government resign and a civilian-military transition government take over.

The paratroopers of the special forces headquartered in Cochabamba, 800 kilometers from here, were mobilized yesterday together with the antiguerrilla rangers and other troops in that region. A drop of those troops early this morning on the subversive-held area was planned, but weather conditions and low ceiling thwarted the operation.

Col Gary Prado Salmon, commander of the 8th Division and in charge of the antisubversive operations in this region, announced that ground forces have completed the encirclement of the La Tita oil field and said that the rightist subversives led by former presidential candidate Carlos Valverde Barbery have practically no chance to escape.

Oilfield Retaken, Prado Shot

PY050119 Buenos Aires TELAM in Spanish 2105 GMT 4 May 81

[Excerpts] Santa Cruz de la Sierra, 4 May (TELAM)--The army has the situation created by the takeover of La Tita oilfield last Friday under full control. According to the official communique, the situation was brought under control quietly.

Col Gary Prado Salmon was the only casualty during the operation. He is now at Petrolero Hospital in this city, where TELAM was told that one of the 3 wounds he sustained is serious. According to a medical report, two wounds on either side of the chest have a reserved prognosis, but a third one in the spinal column is serious. Colonel Salmon was urgently submitted to surgery this afternoon and his condition remains stable, according to a medical report.

The communique issued by the army general command this afternoon says that Colonel Salmon was accidentally wounded at the end of the operation in which the hostages were liberated and the subversives captured.

A spokesman said that other leaders of the subversive group, in addition to Carlos Valverde, were identified as Carlos Valverde Bravo (Carlos Valverde's son), Sergio Flores, German Antelo, Jose Nunez, Jose Ortiz and Julio Costas.

The 51 [as received] hostages were set free by troops of the 8th Division this afternoon after bringing the subversive-held area under control. The hostages are on their way to this city and their arrival is expected tonight.

President Visits Prado

PY050136 Buenos Aires LATIN in Spanish 0055 GMT 5 May 81

[Excerpts] Santa Cruz de la Sierra, 4 May (LATIN-REUTER)--President Gen Luis Garcia Meza tonight visited Col Gary Prado Salmon, who was wounded while he was leading the commando operation for the recovery of the La Tita oilfield which had been occupied for more than 48 hours by rightist extremists.

Although no official information was given, military sources said that Colonel Prado Salmon may have been wounded as the result of carelessness by a soldier who accidentally pulled the trigger of his machinegun.

According to military sources, there was no armed clash between army troops and subversives during the operation for the recovery of La Tita oil camp, 200 kilometer to the south of this city.

GARCIA MEZA RENDERS HOMAGE TO NATION'S WORKERS

PY020310 Paris AFP in Spanish 0043 GMT 2 May 81

[Text] La Paz, 1 May (AFP)--Bolivian President Luis Garcia Meza delivered a message to the workers saying that the Government of National Reconstruction renders homage to workers in the mines, the fields and the cities who--beyond all doubt--are a vital part of the nation and are contributing with their fruitful work to the greatness of the fatherland.

He emphasized that the government of the armed forces reiterates on this occasion its undeniable decision to struggle along with its people to reach the well being we all desire.

He also indicated that the workers, because of their role in production, their ability and their heroic struggle against dependency, are the most important moral and social force of our people.

A few days ago, the Interior Minister indicated that his ministry has not authorized any rallies to celebrate Labor Day. He also denounced a campaign against the government by extremist elements in various cities of the country.

GOVERNMENT REJECTS EXTREME ANTI-INFLATION MEASURES

PY050227 Rio de Janeiro O GLOBO in Portuguese 1 May 81 p 15

[Text of press conference held by Brazilian President Joao Baptista de Figueiredo on 30 April after visiting so-called steel railroad, in Minas Gerais]

[Text] [Question] Mr President, you stated recently that Volkswagen has profited a lot here in Brazil. But the fact is that several workers have already been laid off and others are scheduled to leave during the second half of May. Will the worker continue paying for the economic crisis?

[Answer] No, that is not the idea. The idea is for Volkswagen, a multinational company with resources abroad, to bring those resources to solve the crisis it created here. This company should not think that we, who are having difficulties, are going to solve its problems. My idea is to force this multinational company to bring its resources from abroad to solve the crisis.

[Question] Isn't the unemployment problem the result of recessive measures, even though the government is trying to develop the country?

[Answer] You must agree that the simple fact of reducing development, as I had the opportunity to mention yesterday (Wednesday) when I addressed the entrepreneurs, has reduced employment opportunities. The simple fact of reducing the rate of activity reduces employment opportunities. What we hope is that this unemployment problem will not reach a point of causing social agitation. We only hope that this unemployment rate be normal, that is, the individual may lose his job, but he can find a new job in a different company, thus following a normal development.

[Question] Will this be achieved?

[Answer] So far, only the Volkswagen case has been alarming.

[Question] Around here, Fiat already dismissed some workers and is threatening to lay off others. The Belgo Company is also talking about reducing the daily work hours. What is the worker's situation? Will the government continue allowing the worker to pay for the economic crisis?

[Answer] What solution do you think I should adopt? Then, why do you make a question I cannot answer? You must remember, for example, that Chile, a country with 11 million inhabitants, has more than 1 million unemployed persons, and succeeded in solving the inflation problem. I do not want to adopt for Brazil the solution adopted by Chile, although it may be a very good solution for Chile. Argentina also succeeded in getting out of an inflationary process much higher than ours, also causing unemployment. The same thing happened in the United States, Great Britain and in France as well. I do not want this solution. The effort I am going to make is to seek a normal unemployment rate, and for this reason, the struggle against inflation within my government is very difficult, because it is a much slower process. I could try the shock treatment.

[Question] You stated yesterday (Wednesday) that the future is rather grim, in terms of fighting inflation. You also mentioned the existence of a solution. What is the solution?

[Answer] The solution would be the avoidance of extremes. Neither the shock treatment nor that euphoria of development, which could lead to chaos. The way out is avoiding the extremes. The treatment to cure the illness requires a long walk, but we will get there.

[Question] Are you observing good will by the businessmen? And is this what you expected from them?

[Answer] I have noticed that the businessmen are willing to cooperate.

[Question] What message will you send to the unemployed worker?

[Answer] The only message I can extend to the worker is to have patience. I understand the worker's sorrow. After all, he has a family to support, he has children to educate, etc. But I ask them to have patience, because the government is following the worker's problem. If measures which could be adopted to solve my problem--which is the problem of inflation--are not taken, it is because I am thinking of the worker.

[Question] Is this causing any concern at the political level, considering that election day is near?

[Answer] I am not worried at the political level because I know that our people have reached a level of maturity to know that I am not at all responsible, or that my government is responsible for the unemployment at the Volkswagen plant. If you want to vote against someone, vote against Volkswagen, not against me.

INJURED SECURITY OFFICERS BLAMED FOR BOMB ATTACK

PY012102 Paris AFP in Spanish 1629 GMT 1 May 81

[Excerpt] Rio de Janeiro, 1 May (AFP)--Two Brazilian military officers who were the victims of a bomb explosion that took place here last night had perpetrated a bomb attack on the Rio de Janeiro Convention Center a few moments earlier.

Sergeant Guilherme [Pereira Rosario] of the army motorized police battalion, who died; and Capt Wilson Chavez Machado, who was seriously wounded, are members of the service charged with suppressing subversion (Department of Domestic Operations-Internal Defense Operations Center), a radio station reported here today.

The report, which was neither confirmed nor denied by the appropriate organizations, added that the two officers were in a car parked near the Rio de Janeiro Convention Center, where a show was being put on to commemorate May Day.

Approximately 20 minutes before the explosion which destroyed their car, the two officers detonated a bomb at the powerplant of the convention center, causing damage but no victims.

Rightwingers Claim Attack

PY020302 Paris AFP in Spanish 0106 GMT 2 May 81

[Excerpt] Rio de Janeiro, 1 May (AFP)--A clandestine rightwing organization called Commando Delta has claimed responsibility for the bomb attack perpetrated here last night which killed a Brazilian Army noncommissioned officer and seriously wounded another army officer.

The two officers, who are members of the organization charged with fighting subversion (Department of Domestic Operations-Internal Defense Operations Center), were inside a car which was destroyed by one of the two bombs that exploded last night at the Rio de Janeiro Convention Center, where a show sponsored by the Brazilian Democratic Center to commemorate International Labor Day was being held.

Through telephone calls to the officers of Rio de Janeiro newspapers, a spokesman for Commando Delta reported that the bomb attacks were designed to put an end to a subversive action (the show).

Gen Gentil Marcondes Filho, commander of the 1st Army, reported here today that the two officers were near the convention center on an information-gathering mission.

General Marcondes told newsmen that the 1st Army, the federal police and the Rio de Janeiro police are investigating the attack.

General Marcondes dismissed the possibility that the two officers may have participated in the attack and added that the appropriate organizations are trying to identify the perpetrators of the attack.

Sgt Guilherme Pereira Rosario, who died during the explosion, was buried here this afternoon with military honors.

In Brasilia, Air Minister Delio Jardim de Mattos condemned this new terrorist attack and reiterated the need to draft a special law to fight terrorism.

For his part, Justice Minister Ibrahim abi-Ackel stated that the federal police are already investigating this lamentable attack which, he said, will not disrupt the democratization process underway in Brazil.

RIGHTWING GROUP BOMBS NEWSTANDS IN BELEM

PY290140 Paris AFP in Spanish 2243 GMT 28 Apr 81

[Text] Belem, Brazil, 28 Apr (AFP)--Two bomb attacks that did not cause any damage were perpetrated here today against newstands located in the downtown area of this city, the capital of the northern state of Para.

A rightist organization called New Fatherland Falange [Falange Patria Nueva], through pamphlets, claimed responsibility for the attacks, indicating that the newstands were destroyed because they were selling communist publications.

This extreme rightist organization destroyed several newstands last year in several Brazilian states, accusing them of selling publications with leftist leanings.

FIGUEIREDO MEETS VENEZUELAN FOREIGN MINISTER

PY050239 Brasilia Domestic Service in Portuguese 2200 GMT 4 May 81

[Excerpt] This afternoon, President Figueiredo met with Social Security Minister Jair Soares, Labor Minister Murilo Macedo, Venezuelan Foreign Minister Jose Alberto Zambrano Velasco and Foreign Minister Saraiva Guerreiro.

LULA DISCUSSES UNEMPLOYMENT WITH COMMUNIST LEADER

PY041645 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 May 81 p 2

[Text] Sao Paulo--While they were having dinner together at the Leao de Ouro Restaurant in Sao Bernardo do Campo, Giocondo Dias, secretary general of the outlawed Brazilian Communist Party (PCB), and Luis Inacio da Silva, alias Lula, president of the National Workers Party (PT), agreed that it is necessary to struggle for a change in the Brazilian economic pattern, which, in their opinion, is responsible for the current crisis in the country.

Disclosing information on the meeting, Lula stated yesterday that he had discussed "very little" about politics and political parties with the secretary general of the PCB, and that during dinner they had mainly talked about the problem of unemployment in the country. They both analyzed the workers situation and stated their point of view on the national situation.

PRESIDENT PINOCHET GIVES LABOR DAY ADDRESS

PY012019 Santiago Chile Domestic Service in Spanish 1611 GMT 1 May 81

[1 May National Labor Day address delivered by Chilean President Augusto Pinochet at ceremony held in Diego Portales Building Assembly Room--live]

[Excerpts] Members of the cabinet, members of State Council, under secretaries, foreign labor representatives, military and civilian officials, union leaders, Chilean workers: It is an honor for your president to commemorate with you today the National Labor Day at the Diego Portales Building.

Since 1974, 1 May has acquired a new meaning to all Chilean workers because in the last 7 years we have eradicated the hatred and violence generated by the Marxist preaching based on class struggle.

For many years our Labor Day ceremonies were plagued with the violent slogans of some, with the inexplicable fears of others, and with the bitter disappointment of Chilean workers. For decades we have witnessed how the genuine rights of workers were subordinated to favor small social groups, some of which served a totalitarian and inhuman doctrine.

Our ears are still filled with the politicking carried out by Marxist groups in the majority of Chilean unions thus diverting them from the essential union objectives that are their reason for being. This closed labor monopoly in which unions were mere tools through which alleged labor conquests were channeled--but which in reality were nothing more than an active agent in the class structure--helped to create proper conditions to establish artificial and unjust collective bargaining mechanism that caused great harm to the nation and to all Chileans but which solely helped the revolutionary acts of communism.

The slighting of the genuine rights of workers, the politization of unions, and ineffective collective bargaining agreements helped to establish an unjust, fraudulent and violent situation which only helped the coming to power of a Marxist regime.

It is not my intention in expressing these thoughts to revive old hatreds, but to remind you that our enemies are constantly plotting against us. We know perfectly well that only through the joint and harmonious effort of all Chileans we will achieve the spiritual and material development of the entire nation. [applause]

The Chilean reality we are experiencing today is the result of the work of all Chileans [applause] since between 1973 and 1980 all Chileans had to work together to rebuild a country which had experienced the greatest setback in all its history.

The developments achieved at all national levels have prompted us to make great changes. This is why we established a new labor institutionalization based on a free, independent, and apolitical union movement led by the workers themselves. It is the workers who establish their union dues; it is the workers who decided whether to be a member of a labor confederation or not; and who, through democratic and secret elections, elect their own labor leaders. [applause] All important labor decisions are, therefore, in the hands of the genuine labor leaders.

We have also established the bases for a just and effective collective bargaining agreement process.

Strikes organized by political parties are today part of history; there is no state intervention in solving labor conflicts; the arbitrary handling of economic measures favoring small power groups--either from labor or business sectors--is relegated to history books. Today Chile is a country marching boldly on a path of freedom that will lead it to a better destiny.

Gentlemen: I want to categorically reassert to those who long for past privileges, statism and socialism that this regime will never alter the path it has chosen. [applause] I want to make it perfectly clear to demagogues and the enemies of Chile who had privileges at the expense of the large majorities, that we will never betray those who fell on 11 September fighting for a free Chile. [applause]

We will never betray the people who on 11 September 1980 approved the constitution of freedom. We will never betray Chilean workers who for decades have seen their dreams of a better destiny for them and for their children frustrated. [applause]

With the joint effort of all Chileans we will continue to build a free nation in which well-being and development will be a reality and not a dream, and social justice and achievement and not a mere promise.

To advocates of the system which purports to be the only genuine democracy and who criticize us defending freedom, I say: We agree on this issue. While we are not enemies of freedom, we are against a frail freedom that bases its capacity to survive solely on its ability to compromise with those who often succeed in undermining it.

Our efforts over the past years have not been limited to the union sector and collective negotiations. We have also taken corrective actions in the social security sector, which had been neglected for decades. From a distribution system which had given rise to poverty we moved into one which, based on freedom and justice, promotes training and seeks to provide the worker with a dignified retirement.

It is precisely today, 1 May--the National Labor Day--that the new social security system goes into force. Thus the workers may choose to join the new system or to remain under the old system.

As president of the republic I am aware of the workers' problems and desires and that it is not easy to overcome the difficult conditions we often have to face in our lives. Yet we must be realistic. Chile had to overcome a socioeconomic crisis which affected the entire population, especially the workers. For this purpose, we had to gradually create the necessary conditions to promote effective development which would permit true equal opportunities for all Chileans.

Free from pressures from organizations or religious groups, we have emphasized social programs. We have implemented a realistic strategy which allowed us to achieve an economic growth which is today acknowledged even by diehard skeptics. Thus we have been raising thousands of Chileans from extreme poverty, who are increasingly gaining access to a better life. Yet there are still some fellow countrymen who are enduring extreme poverty. In view of this, my government has strengthened its social programs, and policies aimed at overcoming this situation have been implemented nationwide. We will not stop.

Today I want to announce to the Chilean workers that we will soon enforce a law designed to extend the benefits of family allowances to needy children of 5 and under. This measure, which conveys a true spirit of social justice proposed by the government, will benefit those children who still do not receive family allowances because their parents are not members of any pension fund. [applause]

Ladies and gentlemen, union leaders, workers, considering our achievements, 1 May marks a happy occasion for all Chileans. This is undoubtedly an appropriate occasion to reflect on our promising prospects in the future. I know that my government will continue to count on your strong support. I am also confident that our almighty God will continue to give his protection. Thus I invite you to continue to work with dedication and hope to build a better future for all, especially for our children.

Ladies and gentlemen, the great, free, powerful fatherland we are building is a task undertaken by the entire Chilean people who have been able to assume with resolve and courage the demands imposed on them by history. I know they will continue to strive for a better future. Thank you. [applause]

FURTHER REPORTAGE ON DISPUTE WITH ARGENTINA

Argentine Envoy Meets Officers

PY041528 Buenos Aires TELAM in Spanish 2025 GMT 2 May 81

[Text] Rio Gallegos, 2 May (TELAM)--Ricardo Jose Etchegaray, Argentine consul general in Chile, disclosed during a telephone call made from the Chilean town of Punta Arenas to Rio Gallegos that the misunderstanding has been overcome which arose yesterday regarding the Argentine citizens arrested and charged with spying and who have been held in that southern Chilean town.

Etchegaray went to Punta Arenas yesterday to meet alone with the arrested persons. Since he was forced to have the prison director present at the meeting, the diplomat decided to cancel the interview and return to the consulate where he once again arranged meetings with the arrested. In view of this, the Chilean authorities explained that there had been a misunderstanding and authorized him to visit the arrested without any inconvenience.

In a statement to the press this morning from Punta Arenas, Etchegaray said that he was able to meet with each arrested person individually and that he was briefed on the treatment they are receiving, their needs and developments in their trials and negotiations by the defense counsel. At the end of the meeting held this morning, which lasted approximately 2 hours from 0830 to 1030, the consul stated that he was satisfied and that he had received no complaints from his compatriots.

At the same time, diplomat Etchegaray announced that early in the afternoon, he would return to Santiago, Chile, which is where he is stationed.

It is recalled Argentine citizens Hugo Callieri Bustos and Ivo Chinninger Nadalet were arrested in May 1980 in Chile and charged by the Chilean authorities with spying. The two Argentines are currently serving a 4-year sentence in Punta Arenas Prison.

At the end of 1980, Argentine citizens Juan Manuelides, Angel Gelian, Luis Hugo Villamayor, Luis Alejandro Monteagudo, Enzo Promicelli and Manuel Garcia Arguelles were also arrested and charged with similar crimes. All these persons are under arrest in the prison of that Chilean town.

Foreign Minister on Relations

PY041949 Santiago Chile Domestic Service in Spanish 1730 GMT 4 May 81

[Text] Foreign Minister Rene Rojas Galdames has said that he knows nothing about the possibility of an exchange of Argentine spies with Chilean citizens detained in the neighboring country. The minister has also disclosed that government officials continue studying the Argentine protest note.

The document, handed to Ambassador Sergio Jarpa Reyes on Wednesday, 29 April, demanded that the officers accused of espionage be released immediately.

The Chilean foreign minister made these remarks while he was going to the National Defense Ministry for a meeting with President Pinochet. The foreign minister also explained that it has not yet been decided when the Argentine note will be answered.

Regarding the partial opening of the border that took place yesterday, Foreign Minister Rojas said that it was a very positive event. When asked whether this would be the first step of a total opening of the border, he said:

[Begin recording] I am sure that this will occur, if calmness and wisdom prevail, which should be the determining factor in the relations between the two countries. [end recording]

Regarding the state of bilateral relations, Foreign Minister Rojas said that the relations are as they are. Just now there is a protest note which we are studying, he explained.

The minister denied the rumors which mention kidnapping in the case of the Argentine officers who were detained while involved in espionage activities. Rojas stated that the officers are at the disposal of the courts.

When asked about the rumors of an exchange, the Chilean foreign minister said he knew nothing about such a plan and added:

[Begin recording] Everything that deals with agreement, settlement, compromise or dialogue, all this appears good to me, because I am a career diplomat and I believe that relations between Chile and Argentina should follow channels of friendship and understanding. [end recording]

The foreign minister also stated: There have always been communications with officials of the neighboring country.

Army Denies Involvement

PY041936 Santiago Chile Domestic Service in Spanish 1730 GMT 4 May 81

[Text] Defense Ministry sources have stated that the army has nothing at all to do with the current situation between Chile and Argentina. This was explained in view of news agency reports from Buenos Aires which say that there is a division of opinions within the army regarding the detention of two Argentine officers in Chile.

Two Buenos Aires morning papers reported yesterday that uneasiness has clearly been caused in the Chilean Army by the arrest of Major Barileau and Lieutenant Santos. In view of this report, a National Defense Ministry spokesman stressed that the Chilean Army has nothing to do with this situation. He emphasized that the event is a diplomatic problem which is being taken care of by the Foreign Ministry.

Meanwhile, he said that the Defense Ministry cannot refute reports in the Argentine press, which can say anything at all without any firm bases.

Argentines to Military Trial

PY050139 Paris AFP in Spanish 0047 GMT 5 May 81

[Excerpt] Santiago, 4 May (AFP)--The Chilean military justice has decided to charge the two Argentine Army officers who were detained 10 days ago in the city of Los Andes with having committed espionage, it was reported here today. The semiofficial news agency ORBE reported that Maj Pablo Barileau and 1st Lt Oscar Santos were charged by Judge Advocate Gonzalo Salazar, who extended their incommunicado status for another 5 days.

President Says Situation Calm

PY050240 Santiago Chile Diplomatic Information Service in Spanish 0226 GMT 5 May 81

[Text] At the end of his activities at the Defense Ministry this morning, the president of the republic held a short talk with reporters. He stated that he carried out routine institutional activities in his office at the ministry. Regarding the situation with Argentina, he stated that everything is calm and he was even aware that some check points on the border with the neighboring country had been reopened.

PRESIDENT, LABOR MINISTER ADDRESS WORKERS ON 1 MAY

PA020333 Buenos Aires LATIN in Spanish 0448 GMT 1 May 81

[Text] Bogota, 1 May (LATIN-REUTER)--Colombian President Julio Cesar Turbay Ayala today warned the working class "not to be diverted from its course by certain agitators who seek to use the labor movement as a shield for fighting against the democratic system."

Turbay directed a message to the labor sector over radio and television today to commemorate International Labor Day.

The chief of state emphasized that "the attitude of those who depart from the honorable labor traditions and, with obscure political motives, attack and destroy the economy, is in contrast to that of the great majority of workers who have never committed any act against the republic.

Turbay said that he opposes "agitators who, using labor pretexts, deviate toward foreign political paths and attack the democratic system within which extremists are always uncomfortable.

"There are many labor leaders who have been the targets of subversion, just as it has been directed against workers who are struggling for just benefits within the framework of the law by following the democratic path," the president added.

The president also committed his government to a great battle against unemployment and demanded the agreement of the private sector in creating new jobs in the different areas of work.

"I reiterate my intention and that of my government to struggle arm-in-arm with the working class in a search for speedy development with social justice," Turbay said in conclusion.

For her part, Labor Minister Maria Stella Sanin called on workers to struggle for their demands within the channels of the law without resorting to violence and practicing restraint in their requests.

She emphasized that the present government has respected labor union freedom and called on management to respect the rights of those who provide manpower.

FOREIGN MINISTER COMMENTS ON LAW OF SEA TOPICS

PA042128 Bogota Domestic Service in Spanish 1730 GMT 4 May 81

[Text] Colombian Foreign Minister Carlos Simmonds said that due to its integration policy, Colombia should carefully examine the (?provisions) of the new Law of the Sea and the challenges entailed in the exploitation of modern technology.

He added that in this manner, we will be able to evaluate the consequences of the Organization of the Southern Pacific to allow us to coordinate and (?diversify) the national policies of its members. He specifically mentioned, within these policies, the policy on the exclusive economic area and said that this is one of the innovations which is most characteristic of this new Law of the Sea, adding that Latin America, and particularly the members of the Southern Pacific Organization, are participating in a most outstanding manner in this aspect.

The Colombian foreign minister made this statement today at the opening of a seminar on how to prevent the pollution of the seas organized by Jorge Tadeo Lozano University.

CTC, UTC ANNOUNCE MERGER OF PROGRAMS, OBJECTIVES

PA020336 Paris AFP in Spanish 2137 GMT 1 May 81

[Text] Bogota, 1 May (AFP)--The merger of the programs and objectives of Colombia's two most powerful labor unions, the moderate confederation of Workers of Colombia (CTC) and Colombia Workers Union (UTC), was announced here today on the occasion of International Labor Day.

The executive committees of the two organizations, which have a membership of some 5 million organized workers, approved a document in which they state that they intend to join forces to strive for labor benefits.

The organizations state that they have prepared a coordinated plan with socioeconomic and political theses to respond to the country's crisis in a way that will benefit workers.

The CTC and UTC announced their merger to Colombian workers today and said that they have achieved unity as regards their basic postulates.

"We see no need to remain divided. This would be illogical and detrimental to the advancing conquests of our workers and to the workers' joint struggle," the document states.

The two labor unions had ideological differences, the CTC being liberal in orientation and the UTC conservative, but it was announced that although they will retain separate administrations, they will carry out their labor struggles jointly.

Meanwhile, the police reported that Labor Day was celebrated in Colombia today with absolute calm.

The labor unions and other labor organizations gathered people in the streets and called for the state of siege to be lifted.

In their speeches, the labor leaders called for labor unity and expressed support for a second nationwide civic strike like that staged in 1977.

In the peaceful demonstrations today, the workers walked alongside their spouses and children and demanded that the government control the rising cost of food.

Pastor Perez, president of the General Labor Confederation (CTC), proposed that a 2-hour strike be staged nationwide on 13 May to protest the high cost of living.

Similarly, the labor leadership said that the government should show less consideration to monopolies and demanded that wages be increased.

In addition, they expressed opposition to a series of courts-martial being held to try guerrillas.

The demonstrations were kept under discreet surveillance by the police and security organizations, but there were no disruptions of public order.

After 1200, the marchers in Bogota and other cities dispersed calmly.

PRESIDENT REGRETS ECUADOR'S ANDEAN PACT STANCE

PY022006 Buenos Aires LATIN in Spanish 1605 GMT 2 May 81

[Excerpt] Lima, 2 May (LATIN-REUTER)--President Fernando Belaunde Terry last night told of his distress concerning the possible withdrawal of Ecuador from the Andean Pact.

In a press conference, Belaunde added that the resignation of Ecuador would endanger and make difficult the integration process.

I hope it's a question of simple readjustments since the Andean Group is the first effort toward integration, which all the members are interested in, the president said.

Belaunde spoke with reporters at military airbase No 8 shortly after returning from an inspection visit to the Selva region.

MINISTER COMMENTS ON ECUADOREAN INCURSIONS

PY012152 Paris AFP in Spanish 1808 GMT 30 Apr 81

[Excerpt] Lima, 30 Apr (AFP)--Peruvian War Minister Gen Jorge Muniz Luna today gave assurances that the Ecuadoreans will not again enter Peruvian territory and that they already have returned to the western slope of the Condor Mountain Range, site of the recent military clash between the two countries.

General Muniz, who gave a brief statement to the press at Jorge Chavez International Airport, added: Our forces have similarly returned to the eastern slope of that mountain range so that the cause of the problem has ended.

But we must be careful that they do not reenter [Peruvian territory] and I can give assurances that they will not do it again, he said, apparently commenting on certain declarations by Ecuadorean President Jaime Roldos, who had indicated that Peru had not complied with the commitment to demobilize its forces stationed in the border zone on the Condor Mountain Range.

FOREIGN MINISTER ON ARGENTINE-CHILEAN CRISIS

PY010029 Buenos Aires LATIN in Spanish 0018 GMT 1 May 81

[Text] Lima, 30 Apr (LATIN-REUTER)--Peruvian Foreign Minister Javier Arias Stella today expressed hope for the normalization of the Argentine-Chilean dispute, which during the past few hours has caused tension in the border area.

Arias declined to comment on the problem that is being faced by the two nations that border on Peru [as received] and he said that he hopes that the two nations will achieve a cordial understanding.

The foreign minister chatted with the press this afternoon after dedicating a hospital at the naval base in neighboring El Callao.

WAVE OF TERRORIST ATTACKS SWEEPS NATION 2-3 MAY

PY040400 Paris AFP in Spanish 1609 GMT 3 May 81

[Text] Lima, 3 May (AFP)--The terrorist escalation that is starting to shake this country has been increased with 14 more attacks in the last 24 hours. While the government imputes these acts to extremists, the left denounces them as a plan by the right to do away with democratic freedoms.

One of the gravest attacks occurred in Lima, where there was an attempt yesterday to blow up a high tension switchboard of a closed gymnasium. According to the police, the dynamite charge miraculously only caused a hole in the wall.

Two other serious acts occurred in Haraz, 400 km northeast of Lima, where the local office of the Lower Criminal Court and the departmental headquarters of the Republican Guard were dynamited, causing serious material damage but no casualties. According to police sources, 13 terrorists, including 3 women, were being tried in that court.

In Cuzco, 1,000 km southeast of Lima, the local courthouse was similarly dynamited and an explosive device was detonated within the confines of the Sacsayhuaman Fort Archaeological site. Meanwhile, in the nearby province of Sicuani, a group of extremists almost simultaneously threw six homemade bombs into the town's parade ground and left red flags emblazoned with a hammer and sickle tied to lampposts, according to police.

In Arequipa, 1,022 km south of Lima, unknown persons threw dynamite at the prefecture (office of the local police) blowing up its main door. Similarly, a civil guard post in the adjoining district of Paucarpata was the object of another dynamite attack.

North of Lima, unknown persons set off a box of gunpowder in the local office of the Agriculture and Nutrition Ministry in Trujillo, while in Chimbote a public telephone booth in the vicinity of the civil guard headquarters was blown up with explosives.

Other minor attacks took place in Ilo, Moquegua Department, 1,200 km south of Lima, where a train with 47 cars filled with copper concentrate was mysteriously derailed.

Then in Iquitos, in the Amazon region, a dynamite charge exploded at the regional offices of the Education Ministry, causing destruction there.

Finally, two more dynamite bombs were thrown at the premises of a private bank and on the parade ground of the district of Chosica, 40 km from the center of Lima.

This wave of terrorism, which began in January 1980 and which declined at the end of 1980, resurged with great intensity 3 months ago, precisely when the government adopted a severe antiterrorism law.

Police and government authorities attribute these acts to the Shining Path group, and yesterday, President Fernando Belaunde Terry reiterated his condemnation, saying: "This action is by the extremists who couldn't get municipal or national power because they couldn't get the votes of the people."

For its part, the voice of the united left, EL DIARIO, said: We demand that the terrorist attacks be solved, from the explosions in the Cuban ships to the bombs at the schools and the sites of shanty towns.

After recounting extensively the coups d'etat and repression in Peru, EL DIARIO points out: But it would be absurd to think that the left, which every day gains more acceptance for its identification with popular interests, devotes itself to putting bombs in harmless schools or public places.

BRIEFS

ARMY CHIEF POSTPONES ARGENTINE VISIT--Buenos Aires, 2 Ma- (NA)--The commander in chief of the Argentine Army reported tonight that Peruvian Army Commander in Chief Maj Gen Rafael Rubio, who was to have visited Argentina next Thursday, has deferred his trip until the second half of May. There was no other official comment, but in military circles it was said that the postponement of the visit was agreed upon between the two commanders in chief due to the current situation with Chile. [Text] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1950 GMT 3 May 81 PY]

COSTA RICAPRESIDENT CARAZO DELIVERS STATE OF NATION SPEECH

PA021709 San Jose Domestic Service in Spanish 2227 GMT 1 May 81

[State of the nation speech by Costa Rican President Rodrigo Carazo at the Legislative Assembly in San Jose--live]

[Excerpts] The government and the people of Costa Rica engaged in a common cause against Somoza in defense of the nation's sovereignty and dignity. This put an end to several decades of Somozist intervention in the internal affairs of Costa Rica. Some might feel homesick for those golden days when they shared familiarities and intimacies with the dictator, which is the cause of their grudge against our government. The fact is that without any army Costa Rica obtained a victory and emerged unharmed from the biggest and most serious, military threat it has ever had throughout its history. It is up to the Nicaraguans to decide the form of government they want, knowing that the reign of freedom is not only obtained with the fall of a dictator. The price of democracy is still much higher. Costa Rica, which had its sovereignty and security threatened, stood up to the dictator with the same bravery and dignity shown by our grandfathers in 1856.

The role played by Somoza in Nicaragua was the same played by a social class in El Salvador. The tragedy of this sister nation has been used as pretext, using the yearning for bread, justice and freedom of the people, as a reason for trying to enslave them under the domination of foreign forces.

My government has supported the present government junta of El Salvador since it is convinced, as the deeds have proven, that it seems to be the only way to ensure the return of peace to the country and the establishment of a democratic government. Even the most stubborn allies of the communist guerrillas have understood this. The rapid action of the Salvadoran junta aimed at breaking old and unjust economic and social structures stirred up the power of oligarchic and communist groups against it because the oligarchy did not want to lose its control and the communists wanted to use misery to impose themselves through arms. However, the people, victims of the oligarchy, have turned their backs on communism and are resisting any form or origin of intervention. Therefore, the fall of El Salvador would have meant the victory of international communism in Central America and thus the direct confrontation between great powers in a devastating hegemonic struggle. Therefore, the salvation of this area would be the democratic resurrection of certain countries of the isthmus.

In short, Costa Rica defended its sovereignty and dignity in the face of the Nicaraguan dictatorship. Regarding El Salvador, Costa Rica has also acted without excuses. In both cases we have been victims of infamies by those who would have gladly entered into pacts with Somoza or with extremist ideologies in order to continue in their idleness and selfishness. But history is not written by the weak.

The world and Central American situations which I have briefly described have forced my government to make decisions in the economic and political spheres which had not been foreseen in the government program.

We must now face the unavoidable challenge of working for this new international order in the most efficient way possible. We must first carry out a change in the country in order to reorganize the economy so that we can maximize the use of the resources to meet the challenges of the present world and to seek in international agreements the bases for a more just world economy where we can minimize the abuse of the most powerful.

The Costa Rican Government is focusing its strategy and carrying out structural changes in five priority fields which I will just summarize: Energy, the full use of the agricultural potential, the development of exports and investments, the reassignment of resources, and the institutional reforms in the public sector to increase the capacity to handle the economy and promote growth.

The energy field is vital in the program of structural adjustments of the country's economic organization. It is not possible to continue to depend on the foreign supply of hydrocarbons because this has led us to an increasing impoverishment and at the same time that it has limited the future possibilities for growth.

Already in 1980 most of the coffee export revenues were used to pay the oil bill. This has posed the urgent need to correct the distorted use of our energy resources. At this time we are using only 11 percent of our energy potential and for this reason we have to channel our efforts to achieve independence in the energy field over the medium-term and to reorganize the consumption so that it is more in line with our supply of this resource.

Our energy policy is working with clearly defined perspectives: the replacement of oil imports with the development of new and renewable energy sources; the exploration and evaluation of the country's hydrocarbon potential--oil and coal; the saving, conservation and rational use of energy; particularly of the energy produced by petroleum and its byproducts; the use and investigation of our hydroelectric and geothermal potential.

In the international sphere and as a country which does not produce petroleum, Costa Rica had an especially active participation in the agreement for petroleum assistance signed with the governments of Mexico and Venezuela. This agreement was signed by Presidents Luis Herrera Campins and Jose Lopez Portillo in San Jose on 3 August 1980. Apart from the great meaning of this agreement for the Central American and Caribbean countries, Costa Rica considers it very important in the establishment of a new international economic order. According to the agreement, Mexico and Venezuela will cover our oil needs at their official price or the OPEC price as the case may be, based on the terms that 70 percent of it will be paid in cash and the remaining 30 percent will be granted as a credit to be paid in 20 years at a 2-percent annual interest rate so that this remaining figure can be invested in programs related to the production or savings of hydrocarbons.

Costa Rica is using these resources in priority projects of economic development and particularly to accelerate those which make up its policy of energy independence. The full effects of this agreement in regard to the savings in petroleum are already being seen in this year. The speeding up and implementation of the projects that can be financed with these credits will also be reflected in upcoming years.

Costa Rica is already capable of generating 570 megawatts of electric power and with the addition of projects that are underway such as the Corovisi, Ventanas Galita, Palomo and Miravallo this electric power capability will increase to approximately 900 megawatts.

The government has decidedly boosted these projects because for each month that the Corovisi project is delayed, for example, it means 60 million colones have to be spent to buy fuel at today's prices.

The comparison figures between the hydroelectric production and the thermoelectric production in December 1977 was: 78 percent for the hydroelectric and 22 percent for the thermoelectric. It will become 99 percent for the hydroelectric and 1 percent for the thermoelectric in 1983 thanks to the action of the Costa Rican Electricity Institute and the government decisions.

Moreover, in a relatively short time Costa Rica will have an excess in the supply of electric power and this will present several options: to do without the thermal plants when the electric network is interconnected with an evident savings in foreign exchange, to speed up the programs to transform the industrial use of energy into a consumption of electricity, and to eventually export electricity to Nicaragua and Panama.

In view of the constant increase in oil prices, the government implemented the national plan to produce gasohol which will replace the total consumption of gasoline within a period of 8 years. This plan is aimed at producing 10 million liters of this fuel this year to supply vehicles which have been converted to this system under the programs that the National Training Institute is carrying out. In addition, the plan includes the immediate installation of several distilleries to be exclusively devoted to the production of fuel and this has been coordinated by the National Production Council. At the same time, the energy minister will authorize the operation of small distilleries that will work under the supervision of the University of Costa Rica in order to guarantee that the production will be exclusively for fuel consumption in the organized communities where these distilleries are installed.

These distilleries will basically use sugarcane, tuber and banana wastes as raw materials.

In an effort to encourage the sowing of sugarcane, the Central Bank of Costa Rica has authorized the financing of this crop through the commercial banks of the national system. The credits agreed to on 3 August with the Mexican and Venezuelan Governments will be used for this.

The government has decided that in the next bids for taxis it will only permit the participation of vehicles with motors that run with alcohol. As soon as we adjust a sufficient number of cars to run on alcohol, the government will transform the Liberia plant which is only producing anhydridic alcohol now so that it can produce hydrated alcohol for consumption.

By the middle of 1981, the new installations of the national liquor factory will enter into operation with a production of 5 million liters of hydrated alcohol. As an indispensable part for the implementation of the plan, we have established a network of distribution that will allow the public to buy this fuel throughout the country. Parallel to this development, the National Training Institute, with the help of the Brazilian Government which is giving us technical assistance, is working on the training of technical personnel for converting motors to run on gasohol. The plans of this institute foresee the number of mechanics needed in order to coordinate the conversion phase with the gasohol production phase.

The government has estimated that it needs approximately 60,000 hectares of sugarcane in an 8-year period for the total implementation of this program. In order to select these areas, the government has decided to promote new regions of hardly developed regions in order to generate jobs for their residents. To ensure the fulfillment of this program the government has given an ample participation to the private sector.

The government will electrify the recently completed Mohin-Rio Frio railroad in an effort to replace the use of oil and its byproducts for electric energy and to cut down transportation costs. The government is also speeding up the studies to establish an interurban electric transportation system among the largest cities in the central valley.

The government is involved in an intense project for oil exploration aimed at determining the possibilities for the exploitation of hydrocarbons. The cooperation of the Mexican Government was obtained in order to carry out this project. The explorations started in December 1980 and the drilling operations will start in 1981. The country has several areas with petroleum potential and the government has resorted to the IDB and the IBRD to explore them all and to make a preliminary evaluation. This will involve a seismological study of the continental shelf and an aerial survey of the regions which go from the north of Puerto Limon to Upala and from border to border, from La Cruz to Laurel. This is the first time that a job of this kind will be carried out in Costa Rica without the participation of multinationals and with such a broad and thorough coverage. The government has decided that no concessions will be made to foreign firms if petroleum is found; therefore, the petroleum will be nationalized.

The exploration for coal in Baja Talamanca carried out by geophysicists of the Costa Rican Electricity Institute revealed that there are important deposits of this mineral. The studies which were reinforced with technical assistance supplied by the Brazilian Government and the agreements with the Japanese Government to carry out feasibility studies in this field have been signed without granting any rights for future exploration.

The Costa Rican Oil Refinery [RECOPE] is increasing the most diversified refining capacity from 10,000 barrels to 17,000 barrels per day.

The distribution plant in La Garita and the oil pipeline which links this plant with the Alto de Ochomogo pipeline entered into operations in January 1981. We are also working on the expansion of the pumping stations of Limon and Turrialba and in the construction of a new station in Alto de Ochomogo. This will guarantee that the capacity of the pipeline will be adequate to meet the pumping demands until 1985. We are now building tanks which will permit the country's storage capacity to be increased from 15 days in 1978 to 75 days.

When completed, these investments will guarantee the uninterrupted supply of fuel and will result in a large drop in the costs of production and transportation and the country will have large savings in foreign exchange of approximately \$11 million at today's prices.

In November 1980, the Mohin oil berth entered into operations and it increased the draught of the oil tankers from 8.8 meters to 14 meters. The Costa Rican Oil Refinery contributed more than 443 million colones to build the Mohin berth and RECOPE will give \$4.7 million for the purchase of the material needed to build the railroad yards which complete this project.

This financing was ensured by \$50 million but the Legislative Assembly let it expire on 27 September 1980 and in view of the alternative to stop the works we decided to go on despite the financial problems that RECOPE has now.

The investment projects started by the government through the Public Works and Transportation Ministry are aimed at reducing the consumption of hydrocarbons through the decrease in the traffic congestion and the strengthening of mass transportation. The important projects in this area include the acquisition of buses, the installation of traffic lights, and the building of better highways, as well as more efficient measures for road safety.

We have taken several measures with highly positive results in our determination to promote the conservation and rational use of energy. The high prices of fuel have also served to discourage consumption. We have [word indistinct] the import of vehicles with high-fuel consumption. We have restricted the circulation of official vehicles once a week, decreed the closing of gas stations at night and on Sundays and are promoting all kinds of replacements for the hydrocarbons.

At a time of changes that necessarily demand sacrifices, the government decided it was necessary to begin a campaign that may contribute to getting consumption habits in order by giving priority attention to basic items over luxury items.

The unemployment rate is usually very low in Costa Rica. During this adjustment period in the country, it is possible that there will be temporary maladjustments that may result in an increase in the unemployment rate. Various measures have been adopted to soften the impact of this situation. A policy will be drafted to try to reduce the social cost of unemployment and to encourage labor intensive activities.

During this economic adjustment period, inflation will become stable when it reaches another level in relation to prices. [as heard] It is believed that at the beginning of this program the inflation rate will be higher than the traditional inflation rate of the country. Regarding staple prices, the government has passed transitional measures to protect the poor.

Institutional reforms are necessary in the public sector to strengthen the capacity to manage the economy and to promote development.

The unbalanced budgets of the past have reached levels which our economy cannot sustain. The government has acted firmly regarding incomes and debits. The government has initiated important transformations where it had the authority to decree taxes. It has also introduced improvements in the public expenditures budget.

The government believes that the best thing to do would be to have a constitutional reform so that the economic initiative would only be in the hands of the executive branch while the Legislative Assembly supervises the maximum amount of public expenditures so that the limit of expenditures cannot be increased. The Legislative Assembly's responsibility would be to approve, reduce or eliminate expenditures.

Regarding the 1981 budget, 22 percent of the revenue from taxes will be derived from direct taxes. The remaining 78 percent will be derived from indirect taxes. This speaks for itself about the relative injustice of the present system.

The Legislative Assembly is studying a bill that is aimed at correcting this anomaly. This reform is necessary in the framework of the structural changes being faced by the Costa Rican economy.

It has been proposed that this bill should go into effect 3 months after its publication. The idea is to modify all the income taxes imposed by executive decrees that will either expire or be derogated at the beginning of 1982.

This year, a program aimed at increasing revenues by 43 percent through better tax collection, exchange adjustments and additional revenues deriving from executive decrees, has begun functioning.

The government trusts that the tax bills presented to the Legislative Assembly will be approved, considering, especially, that the revenue derived from these taxes will benefit the next government. [sentence indistinct]

RECOPE has initiated a new plan to achieve financial balance this year [word indistinct] will increase its revenues by 125 million colones by means of an internal reorganization. The Costa Rican Social Security Institute has adopted several measures to increase its revenues.

The public operating expenditures program has resulted in a job freeze. A bill aimed at freezing the amount of obligatory transferences [transferencias obligatorias] to the 1980 level will be proposed. [sentence as heard] We will ask the Legislative Assembly to freeze the 1981 transferences at the level of 1980.

Financial expenditures are being reduced. The subsidies to the National Production Council are being reduced by 100 million colones. In order to diminish the use of bank credits, the government will pay with bonuses, as much as possible, for as long as the Legislative Assembly does not approve the new taxes we have proposed.

With regard to structural changes that the country is facing, the problem can be defined, basically, in terms of a dramatic deterioration of exchange rates, a deterioration of 23 percent in the past 3 years. This presents three types of problems to the country: inflation, which is stimulated by demand-type pressures and sustained by costs-pressure; an unbalanced balance of payments; and a growing risk of deflation. Therefore, a recovery will be possible only in the medium-term by either improving exchange rates or by a proportional increase in exports. These options depend on the success of the policy on finding substitutes for imports, and diversifying and increasing exports.

Therefore, in situations such as this, the government works at apportioning income reductions in the most just manner possible.

The government has insisted that there is a need for creating an awareness of the fact that in addition to the solutions that have been proposed, and to others to come, shared sacrifices must be accepted. Regarding the capital expenditures program, the scheduled programs that are related to structural changes have been maintained and will be maintained. Some of these programs have been accelerated.

Other works have been suspended beginning in 1981.

The structural changes proposed by the government to improve the economy and the public sector demand a new attitude. After many decades of lack of foresight, we Costa Ricans must find ourselves and return to our true spiritual and moral resources to survive and to overcome this worldwide challenge to secure a better future on a more solid basis and with more awareness of our social responsibilities, more maturity and unbending will, since for the next several years things will not be easy. From now on, men and nations will overcome things not on the basis of their financial resources but on the basis of their moral strength.

LABOR MINISTER APPOINTED TO HEAD FINANCE MINISTRY

PA042012 San Jose Radio Reloj in Spanish 1730 GMT 4 May 81

[Text] By executive decree, Labor and Social Welfare Minister German Serrano Pinto has been appointed head of the Finance Ministry as well. He will be replacing Carlos Eduardo Munoz, who resigned last week after replacing Hernan Saenz for 3 weeks.

Jose Antonio Lara Eduarte, who is executive president of the Costa Rican Oil Refinery, had been chosen for the post, but he encountered legal problems. Therefore, President Carazo decided to assign Serrano Pinto to this ministry.

EL SALVADOR

DUARTE REJECTS U.S. ATTEMPTS TO CONDITION AID

PA042259 Paris AFP in Spanish 2207 GMT 4 May 81

[Text] San Salvador, 4 May (AFP)--Jose Napoleon Duarte, president of the Salvadoran Government junta, today rejected the attempts by the U.S. Congress to place conditions on its military and financial assistance to this country by having the present government stop the abuses of its security forces concerning human rights.

Duarte affirmed that, after a thorough analysis, the concern of the U.S. Congress "is precisely the reason why our government has been struggling and why we have been doing so for a year."

"Our objective," Duarte affirmed, "is to take the country toward a political solution." He added that "that is why we are implementing an election process."

After admitting that it is up to his government to stop the abuses of authority, Duarte noted that although the objective of pacifying the country is clear, "this does not mean that we can do so by decree and achieve this tomorrow because we have not created the conditions of violence."

The president insisted that the convulsed Salvadoran situation is the historic heritage of many years of totalitarianism and social pressures in addition to "the radicalization and violence generated by the communists." Napoleon Duarte added that his government seeks to resolve the problem of violence and affirmed that, therefore, "what the U.S. Congress raises is nothing new, but is our endeavor, our work plan."

Meanwhile, military sources charged today that Salvadoran (?youths) have received scholarships by terrorists to be trained in Nicaragua," and added that many of them "are those who are reported here as missing or kidnapped."

Police circles reported today that seven persons were killed when a mine exploded under a vehicle in which they were traveling from Cinquera to Suchitoto, 40 km northeast of here. It was learned that the mine was placed by leftwing extremists with the intent of attacking a military convoy.

It was also reported that Mario Lainez, a lieutenant of the 1st Artillery Division of the Salvadoran Army, was ambushed and killed yesterday while he was returning from his weekend leave of absence in Acajutla region.

STATION REPORTS GUTIERREZ STATEMENT ON MEDIATION

PA042348 San Salvador Domestic Service in Spanish 1740 GMT 4 May 81

[Commentary: "No One Has Power To Negotiate"]

[Text] Col Jaime Abdul Gutierrez, vice president of the government revolutionary junta and armed forces commander in chief, said during his speech on Telecommunications Workers Day that no one has been authorized to negotiate with international subversion about matters that concern the Salvadorans alone. Colonel Gutierrez' statement is emphatic and referred to the mediation proposal presented by sectors linked to these same subversive groups. He added that this attitude involves all of us because we are wating a struggle for the sacred national interests and the honor of the republic.

The various attitudes of extremist groups have been reflected recently by a proposal, presented in the information media, which reveals the real intentions of subversive groups which use every chance they can to create problems for their own benefit and to create a favorable situation for them, especially in the existing situation in which all their scheming has failed.

The only thing that Salvadoran leftists have shown is weakness, incapacity and lack of discipline. The armed forces have been defeating them at every turn and continue harassing them even in their most distant refuges.

ARMED FORCES SAY TERRORISTS TRAINING IN NICARAGUA

PA042333 San Salvador LA PRENSA GRAFICA in Spanish 4 May 81 p 3, 34

[Text] Seventy-seven Salvadoran youths, some of whom their parents had given up as missing, captured or murdered, have been given scholarships by the extreme left to take terrorist courses in Nicaragua, armed forces spokesmen have revealed.

The army intelligence services have a large number of compromising documents revealing plans by Salvadoran and international extremists to expand terrorism in our country.

Among these documents is evidence of the sending of students to various parts of the communist world, and especially a list of 77 Salvadoran youths who are already in Nicaragua training to carry out the activities of international communism, a report of the armed forces released to the press said.

Sixty-six of the scholarship students will specialize as platoon leaders. The others will train as company chiefs, liaison and logistics officers and chiefs of military communications.

Some will have dual tasks such as platoon chief and military communications chief; others will be in charge of logistics and communications in general, including military.

The report says that the students left El Salvador by various means; some left by way of Tegucigalpa, the mountains, Guatemala-Tegucigalpa-Segovia Mountains [Nicaragua], TICA [expansion unknown] bus, and other ways.

FOR LEADER ON PROGRESS OF STRUGGLE, U.S. ROLE

LDO10843 Oslo ARBEIDERBLADET in Norwegian 29 Apr 81 p 16

[Gunnar Zachrisen undated interview in an unspecified location in El Salvador with Revolutionary Democratic Front Vice President Eduardo Calles: "Without U.S. Support No Salvadoran Junta"]

[Excerpt] [Calles] The Christian-Democratic government would die a quick death without constant U.S. infusions of capital and military equipment. The national economy is today on the verge of bankruptcy. A newly published report from the university in San Salvador puts the drop in GNP at 9-17 percent from 1979 to 1980, and this tendency was further strengthened from 1980 to 1981. The commerce and industry organization FENAPES [National Federation of Salvadoran Small Businesses] reports a flood of bankruptcies among small firms. The unemployment figures are still rising. Official sources say 30 percent, but the figures are probably much higher.

President Duarte has said that the country needs \$200-300 million dollars in economic aid. But in reality such a sum would only be a solution for the first few months.

[Question] What has the change of government in Washington meant for the opposition's struggle?

[Answer] The people's sufferings have grown since Reagan came to power. The Reagan administration's declarations that it will "not tolerate socialist on its doorstep" are nothing more than incredible cynicism. Now they have started a worldwide campaign of lies to justify their intervention in El Salvador.

[Question] The United States claims that the Soviet Union is behind the wave of revolts in Central America. How great is Soviet influence really?

[Answer] How could the Soviet Russians have had the capacity to create this resistance struggle? That is an idiotic assertion. The people who have made these claims cannot have even the slightest knowledge of El Salvador's history. The Salvadoran people have never had contacts either with the Soviet Union or with Soviet Russians. On the other hand, we have seen quite enough of North Americans in this country, soldiers and military and economic advisers.

[Question] The Duarte government has said that it is interested in a dialogue with the FDR. What is the FDR's position on trying to find a political solution to this bloody conflict?

[Answer] The FDR has declared its willingness to enter into a dialogue with the government. But it must be a real dialogue with a solution as its goal. Not as President Duarte says: "Let us hold a dialogue, but this does not mean talks." Another thing is that talks just between Duarte and us would be insufficient. The United States would also have to take part in this dialogue, but up to now the Americans have been claiming that they are not taking part in the conflict. That is a lie. The United States is the only foundation for the government's continued existence.

[Question] The Duarte government has proclaimed elections in 1982. Will the FDR take part in these elections?

[Answer] The conditions which the government has set for our participation in the elections are stupid. Now that we have finally succeeded in building up a people's defense force, would it be wise to hand in our arms again and follow the instructions of the same people who perpetrated the election fraud in 1977? How could we have any confidence in this "democratization process?"

[Question] Is it correct to describe this conflict as a civil war?

[Answer] I would say that a civil war is a war in which clearly distinguished groups within the population fight against each other. Perhaps the conflict here in El Salvador could be called a civil war, but it is first and foremost a war of liberation, in which a whole people is fighting against a repressive minority.

[Question] It has been claimed that the guerrillas' proclaimed major offensive in January failed because of lack of popular support.

[Answer] First and foremost the January offensive was a link in a new military strategy. It was attempted as a general offensive. It is true that we had some difficulties, especially in the capital, San Salvador. The government forces carried out mass arrests of trade union leaders, and in this way they demoralized those living in the capital.

We have been through a crisis of confidence, partly as a result of the murders of our leaders last November. People were beginning to lose their faith in a military victory. But today we are in the process of regaining their confidence. Politically, people have always looked on the FDR as the only true representative of their interests.

[Question] Is diplomacy or violent struggle more important at the moment?

[Answer] There is no doubt that our capable diplomats can show fantastic results, because they have to a certain extent made the Reagan administration afraid to escalate its intervention. But we would never be able to win without the military struggle. The people have built their own army. We are convinced that this is the road to follow.

[Question] Will we see in El Salvador a new conflict of the duration of a Vietnam war?

[Answer] No, the revolt will not take long.

NEWSMEN DEMAND RELEASE OF JAILED COLLEAGUES

PA020003 Panama City ACAN in Spanish 1955 GMT 1 May 81

[Text] San Salvador, 1 May (ACAN-EFE)--The Union of Journalists and Affiliates of El Salvador (SINPESS) announced today, on International Labor Day, in a manifesto published in a Salvadoran newspaper, that three newsmen remain under arrest in national prisons.

The imprisoned newsmen are Francisco Ramirez Avelar, SINPESS recording secretary; Francisco Quezada, caremraman; and Vida Cuadra Hernandez, director-president of the API [AGENCIA PERIODISTICA INDEPENDIENTE] news agency, as well as other API employees.

SINPESS adds that "so far we have had no reply from Jose Napoleon Duarte, president of the government junta, to a telegram that we sent him on 24 January asking that he intercede on behalf of the captured newsmen."

"We are also unaware of the results of the military court proceedings and of the reason for their detention. Therefore, we demand their immediate release and that of the API employees," the SINPESS manifesto says in conclusion.

SON OF ORDEN FOUNDER SHOT TO DEATH BY LEFTISTS

PA041324 Paris AFP in Spanish 2129 GMT 3 May 81

[Text] San Salvador, 3 May (AFP)--A son of the former director of the Salvadoran National Guard, Gen Jose Alberto Medrano, was shot dead by alleged leftist extremists in the Miramontes residential district, 5 km west of San Salvador. Medrano's son, Jose Ernesto, was shot when he was about to enter the Miramontes Baptist Church.

General Medrano, a well-known rightist, is charged with having created the Nationalist Democratic Organization (ORDEN), a paramilitary organization made up of some 5,000 armed men that is primarily responsible for the thousands of political crimes which have taken place in the Salvadoran rural areas during the past decade.

ORDEN was dissolved by the present regime following the October 1979 coup, but many circles believe the organization continues operating and is reportedly groups (?the numerous) ultrarightists bands which are operating in the country.

EDUCATION AUTHORITIES FAVOR REOPENING UNIVERSITY

PA030237 San Salvador EL MUNDO in Spanish 1 May 81 p 3

[Excerpt] Following the closure 10 months ago of the University of El Salvador, the higher education authorities held a special meeting with the minister of education to discuss the reopening of this educational center and other important matters, a university public relations communique reported. The Superior University Council set Monday, 4 May at 0900 for a meeting and has presented a proposal for the normalization of academic activities, the return of the university installations and the respect for autonomy according to article 204 of the political constitution.

STATE INSTITUTION BUYS BASIC GRAINS FOR PEOPLE

PA262033 Panama City ACAN in Spanish 1455 GMT 26 Apr 81

[Text] San Salvador, 26 Apr (ACAN-EFE)--The Supply Regulation Institute (IRA), a state institution, announced today that it has invested \$28 million in the purchase of basic grains.

IRA has bought 2 million quintals of basic grains from the Salvadoran farmers to secure the food supply for the Salvadoran people and to prevent price fluctuations.

IRA is an agency of the Agriculture and Livestock Ministry, and it is responsible for storing and supplying cereals to the Salvadoran people. The production of basic grains such as corn, beans, rice and sorghum is seen by the Agriculture and Livestock Ministry to be of strategic importance for the national economy.

The basic grains represent the main source of carbohydrates of the people. Sorghum is used mainly as a raw material for the preparation of concentrates. The production of basic grains also generates employment and income, especially among the lower-income sector and for this reason it is also important, the Agriculture and Livestock Ministry has noted. The ministry said that "the 1980-1981 production of cereals in El Salvador amounted to 17.1 million quintals."

CONCLUSION OF INTERVIEW WITH CAYETANO CARPIO

For the fourth and final installment in the Moscow Radio broadcast of the SALPRESS interview with Salvador Cayetano Carpio, member of the Farabundo Marti National Liberation Front General Command, see page K 1 of the Latin America & Caribbean section of the 5 May Soviet Union DAILY REPORT.

GUATEMALADEFENSE MINISTER COMMENTS ON COUNTRY'S SITUATION

PA050217 Guatemala City PRENSA LIBRE in Spanish 29 Apr 81 pp 6, 60

[Excerpts] Gen Angel Anibal Guevara Rodriguez, national defense minister, told this newspaper yesterday that he was very surprised to hear that he was mentioned as being a candidate for the presidency of the republic in 1982.

The top military chief was asked about reports published in certain news media mentioning him as a possible candidate of the Broad Front to occupy the top government post in the next presidential term.

He noted that the country's private sector has voluntarily and courageously decided to continue working and investing for the development of all the sectors in the nation despite the attacks against some of its members.

The national defense minister made a quick analysis of the country's real situation. He said that the guerrilla groups are trying to upset the national economy as part of their strategy to seize power.

He referred to the recent incident at the Rubelsanto, Chisec and Alta Verapaz oil wells, where guerrilla groups partially damaged these installations which mean so much for the future of the Guatemalan people.

He said that "without any doubt this guerrilla action as well as many others are aimed at hurting the country's economy. It is not the first time that the guerrillas have attacked members of the private sector and they are doing it to spread fear."

However, fortunately, he continued, the private sector, with a great sense of nationalism and patriotism, has voluntarily and courageously decided to continue to trust Guatemala.

One of the guerrillas' steps is to shake the bases of the economic sector. In El Salvador, for example, the guerrillas carried out kidnappings and murders against businessmen. This resulted in the flight of capital and hurt the economy in that neighboring country.

With the determined attitude of the businessmen, this will not occur in Guatemala. People trust the democratic government here. There is a love for Guatemala and they will not allow a few persons who obey foreign guidelines to try to implement a Marxist system.

Guatemala is being attacked by a group of people who are being trained in Cuba and Nicaragua but the army is successfully rejecting this kind of communist intervention, he said in referring to subversive activities in certain parts of the country.

He noted that "these people with totalitarian ideas are receiving training in these two countries so that they can come and attack us in different ways in order to seize power and implement a communist system."

Fortunately, he stated, the army has professional and capable personnel who have known how to categorically and successfully reject this communist aggression. The armed forces know how to fulfill the obligations prescribed by the constitution of the republic for the integration of our national territory and the security of the citizens.

General Guevara Rodriguez stressed that one of the communist tactics is to lie and lie until the lie seems like the truth. This is what they are doing now when they claim that former Somoquist guardsmen are being trained in Guatemala.

I can affirm that this is an ill-intentioned story prepared by the communists. It is completely false and baseless. Guatemala is a country that respects the principles of non-intervention in the internal affairs of other countries.

This is happening but just in the opposite way because we are being attacked by guerrilla groups which are being trained in the aforementioned countries so that they come to damage our democratic system.

I hope that those who are telling these many lies don't bite their tongues when they eat. They use lies and falsehoods as part of their aggressive activities against other countries.

The defense minister also told this newspaper that not even Jesus Christ, who can perform miracles, can analyze the Guatemalan situation in a couple of hours as certain Democratic senators [as published] who visited the country recently tried to do.

This newspaper asked the defense minister about a statement by one of the visiting senators who said that "human rights were being violated here in Guatemala and that they were going to see how this problem could be solved."

General Guevara Rodriguez said that the Democratic senators arrived in the country following a pattern followed by former U.S. President Jimmy Carter.

They were here for very few hours. Therefore, they could not become acquainted with the country's true situation in such a short period of time. Not even Jesus Christ, who can perform miracles, he noted, could have gotten to know the true situation of a country such as Guatemala in 2 hours.

We respect the principle of nonintervention in the domestic affairs of other countries and for this reason we demand that Guatemala be respected by other nations.

He added that there is no doubt that the country's situation has greatly improved despite the attempts by minority subversive groups to continue carrying out terrorist acts in certain parts of the country.

Although these subversive groups are kept under complete control by the armed forces, they are carrying out attacks against unprotected towns in order to sow terror and uncertainty among peasant families.

In light of this negative action by the guerrillas, the Guatemalan people have repeatedly expressed their support for the government of Gen Lucas Garcia and the national army. The guerrillas are repudiated by the people because they are aware that the democratic system we live in is what every human being really wants and defends, with the exception of the communist minority.

The guerrillas are wrong. The communities in which they believed they had the people's support surprised them when the residents staged demonstrations to reject communism and to support the army and the government.

Guatemalans want to live, work and achieve the country's development within a framework of tranquility and peace.

Guatemalans, with the exception of the subversive criminals who want to turn the country over to international communism, are determined to establish peace in the country.

TERRORISTS BLAMED IN OIL STORAGE FIRE, PIPELINE BREAK

Fire in Storage Area

PA011353 Paris AFP in Spanish 0351 GMT 1 May 81

[Text] Guatemala City, 1 May 81 (AFP)--A huge fire broke out tonight at a Shell company fuel storage area here. The causes have not yet been established. Guards at the site told the press the fire started after two explosions were heard.

Fire fighters were dispatched to the site, where flames are rising high above the tanks of flammable hydrocarbons. Officers of the fire department say that there is danger the fire might spread to other tanks nearby.

(?This very evening), it was recalled that, in a bulletin released here, the People's Guerrilla Army, a rebel organization, warned the oil companies that "Guatemala's wealth belongs to the people of Guatemala."

Damage to Oil Pipeline

PA011615 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 May 81

[Text] Terrorists last night set off explosives at km 58.5 of the oil pipeline that brings petroleum from Rubelsanto to Santo Tomas de Castilla. Jorge Luis Monzon, mining and hydrocarbons secretary, reported on the attack:

[Begin recording] The damage is being estimated. Some petroleum was lost. Petroleum was spilled, and some of it caught fire. There are different kinds of damage. The petroleum in the pipeline is under pressure, so if there's a break in the pipeline for any reason the petroleum spreads throughout the place where the break occurs. If the break is caused by an explosion, the petroleum will probably catch fire and will become a kind of river of fire that could spread very far in accordance with the topography of the land.

Therefore, the problem affects the people near the area. There are houses and villages near the pipeline. The problem also affects the land itself. Even if the petroleum doesn't catch fire, the land is destroyed. If there are any crops or vegetation; they are destroyed. The petroleum fire can also produce gases harmful to humans.

The petroleum company is in charge of repairing the damage. We believe the pipeline will be functioning tomorrow. [end recording]

Last night's attack was the second this month against Guatemalan petroleum installations. Monzon also referred to security measures:

[Begin recording] There are technical security measures that our office requires. These are already being adopted. The damage is being assessed and the possibility of establishing more technical measures to prevent damage to the installations is being studied. The Defense Ministry is also taking military security measures. [end recording]

He also reported that Guatemala's petroleum production increased today:

[Begin recording] There was an increase in the production rate in the Chinaja field this morning. A production of 3,200 barrels a day in Chinaja has been authorized.

[Question] How much petroleum will Guatemala produce?

[Answer] Beginning tomorrow it will produce 6,650 barrels a day. [end recording]

ARMY REPORTS 3 INCIDENTS WITH GUERRILLAS

PA011837 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 May 81

[Text] Three incidents between the army and guerrilla groups occurred today, leaving a toll of 20 subversives and 9 soldiers dead.

In one of these incidents, a claymore mine exploded as an army truck reached km 11 on the highway to the Atlantic. After the explosion, men armed with machineguns opened fire on the truck, killing the four soldiers in it. The truck was taking drinking water to the Limon District, where there is a water shortage. When the mine exploded the truck crashed into a wall. The army searched the area by land and air but was unable to find those responsible.

Guerrillas attacked the military post of (Cuarto Pueblo) in Uspantan. Another clash occurred in Flores, Peten, when a military patrol discovered a subversive camp in the place known as (Tresaguada). The army reported the death of Capt Edgar Rene Carballo Chavarria. Fifteen soldiers were wounded in these incidents. The official army report adds that in the dismantled subversive camp it confiscated armament, including Soviet-made grenades.

HONDURAS

SOLDIERS HELD IN NICARAGUA REPORTEDLY NOT HONDURAN

PA050227 Managua Radio Corporacion in Spanish 2300 GMT 4 May 81

[Orion Elpidio Pastora report]

[Text] Tegucigalpa, 4 Mar (DPA)--Two alleged Honduran soldiers indicted by the Nicaraguan Sandinist high command have never belonged to the Honduran Armed Forces, a spokesman for the Military Institute has reported in Tegucigalpa. He added that the names of the two militarymen that the Sandinist Front is holding have not appeared on any Honduran Armed Forces roster at any time. According to the spokesman, this shows that the whole thing is a ploy by the Nicaraguan Government and the Sandinist Front in an attempt to discredit the Honduran Government and Army.

The spokesman said that it is very interesting that the prisoners have a Nicaraguan accent, totally different from the Honduran accent.

The Honduran charge d'affaires in Managua asked to be allowed to meet with the two prisoners, but neither the government nor the Sandinist Front allowed her.

FLIGHT OF MISKITOS FROM NICARAGUA CONFIRMED

PA011454 Tegucigalpa Radio America in Spanish 1145 GMT 30 Apr 81

[Text] People arriving from the area of Gracias a Dios in eastern Honduras are confirming that Nicaraguan Miskito Indians are fleeing Sandinist persecution to Honduran territory. More than 600 Miskitos are already in Honduras, creating a very serious situation because they bring nothing with them. Conrado Godoy, who has just returned from the area, reports by telephone:

[Question] Can you give details of the flight of the Miskitos to Honduran territory?

[Answer] Yesterday I questioned several of them and asked them why they were fleeing. They said communism is being established in Nicaragua and that they don't like it. They are forced to work, so to avoid difficulties they decided to flee. Yesterday a boat arrived with refugees. Only men are coming right now, but the women, children and old people will arrive later.

There are about 600 Miskitos in Puerto Lempira. In the border areas there are more than 2,000. These people don't have anything to eat; they just depend on the aid of the people of Puerto Lempira, since they don't have any money.

This is a very sad situation. I would like to call it to the attention of committees involved in this type of work. Just as they help the Salvadorans, they should also help these people. Epidemics might break out. These people are sleeping outdoors. Capt Leonel Luker, commander of the 1st Engineer Battalion at Puerto Lempira, is very worried. He helps them as much as he can.

[Question] Just as there are committees of solidarity with other peoples, now they should help those Nicaraguan Miskitos, don't you think?

[Answer] These people are very poor. They arrive hoping to receive aid. There is no water or electricity.

[Question] The Honduran Miskitos are very neglected, aren't they?

[Answer] That is right, and now all these Nicaraguan Miskitos are arriving, Captain Luker is trying to see what he can do. I offered to call attention to this problem. There are organizations which should take care of this problem. I asked a Miskito if more were coming and he said that the day after tomorrow about 600 more are coming. This is only in Puerto Lempira, and not counting the border areas. They usually come from Waspam and Puerto Cabezas. Therefore, I ask Radio America to begin a campaign because the situation over there is terrible. These people might have to turn to theft and murder. They are under the control of the immigration and the public security force but this is just [words indistinct]. Therefore, I want Radio America to make this known.

[Question] Yes, this is very important. We will be repeating this report later in the day.

[Answer] if you need me for anything else I am at the comptrollership building, 5th floor. This is a true report. I am a government official who is concerned about this situation.

Another thing we should bear in mind is that there might be Sandinists infiltrated among these people. There is little military protection in the area. I saw four of them marching in military style, so they might have received military training. Another thing, the Miskitos say that there are many Cubans, thousands of Cubans working as teachers and other things in Yelapa Department, in the Mosquitos area.

GOVERNMENT ANNOUNCES LABOR CODE REFORM, UPDATE

PA020458 Panama City ACAN in Spanish 2355 GMT 1 May 81

[Text] Tegucigalpa, 1 May (ACAN-EFE)--The Honduran Government announced today, on "International Labor Day," that the current labor laws will be reformed to update them.

Honduran labor and social welfare minister, Aristides Mejia Castro, said that his office will "adjust the existing labor code according to the social and economic needs of workers in farms and industries."

An ILO technician, Julio Cesar Prado Leite, arrived in Honduras to help the government in amending the labor code.

Mejia Castro admitted that "the Honduran labor code contains many errors and contradictions and is not in line with the nation's reality." The Honduran labor code was approved in 1959 during the "Liberal" government of Ramon Villeda Morales, a period of little industrial development and minimal infrastructure.

Next week Pedro Leite will meet with business and labor representatives to solicit their opinions on the results of the application of the current legislation in specific cases.

PEASANTS SEIZE LAND 'TO PRESSURE GOVERNMENT'

PA011404 Panama City ACAN in Spanish 2107 GMT 30 Apr 81

[Excerpt] Tegucigalpa, 30 Apr (ACAN-EFE)--Groups of peasants of the Honduran Peasants National Association (ANACH) have seized about 14,000 manzanas of land in the northern part of the country as one of a series of measures to get the government to speed up the agrarian reform process.

Eugenio Casalegno, ANACH secretary general, denied that the organization's leaders are inciting peasants to seize property. He said that "the masses, who have become desperate because of their situation, have seized land to pressure the government."

NICARAGUADANIEL ORTEGA ON INVASION THREAT, OTHER ISSUES

PA012202 Mangua LA PRENSA in Spanish 24 Apr 81 pp 1, 8

[Text] Commander Daniel Ortega, coordinator of the junta of the Government of National Reconstruction, said on Tuesday, 21 April 1981, that the government firmly believes that the possibility of an invasion cannot be ruled out.

Indeed, he added, we believe that the possibility increases daily because the activities of the counterrevolutionaries who are mobilizing in Honduras, Guatemala and in Miami have not been stopped by the authorities of those countries.

Ortega said the counterrevolutionaries have a very important source of support in Guatemalan and Honduran territory and are carrying out their activities with some assistance in Costa Rica.

The coordinator of the junta of the Government of National Reconstruction said that it is not possible to speculate on the manpower available to the counterrevolutionaries for the invasion, but that he could say that any attempted attack on Nicaragua will be defeated.

Meeting With Congressmen

On the subject of the meeting between the junta of the Government of National Reconstruction and U.S. Democratic Senators Thomas F. Eagleton of Missouri, Christopher Dodd of Connecticut and Congressman Michael D. Barnes of Maryland on Tuesday, 21 April, Ortega said:

"I believe that the meeting was important because it demonstrates the interest that exists among U.S. senators and congressmen to seek a solution to the increasing tension that has been developing in relations between the United States and Nicaragua:

The Situation in El Salvador

Asked about the present situation in El Salvador regarding the prospect of a political solution or the continuation of armed actions, Ortega said:

"Well, if one observes the situation in El Salvador, one sees that all the efforts by the Salvadorans and the United States to wipe out the guerrillas have failed."

The entire counteroffensive campaign, Ortega said, has been contained by the revolutionary forces, and we think that the U.S. Government and the Salvadoran junta will not be able to resolve the present crisis in that country through military action.

Dialogue

Regarding the upcoming meeting between the Sandinist National Liberation Front [FSLN] and independent labor groups and political parties, the junta coordinator said the following:

"I believe that this is a great opportunity for us Nicaraguans to reach a positive solution without conditions of any kind.

"A positive solution that will really bring about a climate of stability that will resolve the conflicts that have been occurring and the radicalization that has been produced by the continuing political activity of those groups that call themselves independent but which in fact has been counterproductive within the popular systems.

[Question] Commander, I remember that during the first meeting Commander Bayardo Arce mentioned three alternatives: one, the radicalization of the process; two, utilization of the masses as legislative instruments; and three, dialogue. Which do you favor now?

[Answer] Above all, we are talking about communication, about a dialogue in a spirit of consultation.

"It must be stated clearly here, and everyone must realize clearly, that the real strength is held by the FSLN.

"Therefore, we cannot at this time try to wear down that real strength or eliminate that real strength, but rather reach an understanding with that real strength so that together we may find an answer to the Nicaraguan problem. This would thus be the most desirable solution."

Economic Situation and Confiscations

[Question] Commander Ortega, you admit that the economic situation is bad and that reactivation is needed and have said that therefore there will be no more confiscations of companies, but there have apparently been some cases such as the OCAL and OCALSA [distributing companies] and La Perfecta [dairy enterprise]. What can you say about that?

[Answer] The OCAL and OCALSA problem has already been resolved. I have no knowledge of those companies being confiscated again.

As far as La Perfecta is concerned, there is a practical problem which is the following:

During the Somozist dictatorship, Mr Llanes never failed to pay his workers. He never had problems of this type. Suddenly he is telling us that he is finding it difficult to pay his workers. Of course, this is being investigated.

So far, what we have found is that Mr Llanes is draining the capital of the enterprise, and he cannot be allowed to do this since milk is a primary staple.

[Question] Commander, it seems to me that Mr Llanes can be said to have discovered the formula for mixing vegetable oil with powdered milk to produce more milk and now that he has done it he is accused of draining the capital. How is this?

[Answer] This discovery was made a long time ago, not recently. I understand that Mr Llanes was very efficient during Somoza's time. Why not now?

Foreign Exchange

On the subject of our foreign exchange reserves, Ortega said that we are not down to zero, but that we were using it as fast as it comes in.

He added later that this is a serious problem that we have to resolve and that is what we are doing.

Food Rationing

Still in the economic sphere, Ortega said that the scarcity of flour and consequently of bread will be felt to a greater extent in the coming months, in May. We are trying to see how to keep the people from suffering such privation.

However, he said, we may find a formula for solving this situation.

[Question] Commander, what about food rationing? It seems that Gladys Baez, your political delegate in Leon, is already talking about putting rationing into effect.

[Answer] Well, to a certain extent, we have been controlling certain foods. We have rationed some of them, such as sugar. In this regard, there has been some propaganda. We are trying to exploit our best products in order to obtain the foreign exchange that we need.

The Fagoth Case

Asked about the case of Stedman Fagoth Muller, the leader of the Miskito, Sumu, Rama Sandinist Unity (MISURASATA), Ortega said that it is under study, that investigations had been carried out, but that no specific decision had been reached.

He said that a pardon is not applicable in Fagoth's case because he has not been convicted by any court, but nevertheless, the corresponding consideration are being taken into account.

When he was told that Fagoth has been under house arrest since Tuesday of Holy Week, 14 April 1981, that he had been taken to Puerto Cabezas and Waspam along with his mother Edna Muller de Fagoth and his wife Dina Rivera de fagoth, and that there is a possibility that he might be sent abroad, Ortega said: We shall see. The matter is still, as I said, under study.

About the Culture Ministry

Commander Ortega was told that there had been reports to the effect that the Culture Ministry, which is headed by Father Ernesto Cardenal, was going to disappear and that more information was needed. He said: There is no truth to that, at least for the moment. No such decision has been reached with regard to the Culture Ministry.

However, in giving his answer Commander Ortega was unable to hide his smile.

Will Castro Be Invited?

Ortega was optimistic when asked about the future of Nicaragua and the Nicaraguans. In this regard he said that despite the problems, difficulties, setbacks and crises that are being faced, the country will move forward.

I am sure that we Nicaraguans will move forward, he said.

[Question] Commander Ortega, 19 July, the second anniversary of the triumph of the Nicaraguan revolution is approaching. Will that date be observed with the same splendor as it was last year? Will all the stops be pulled out, as the saying goes? Who will be the guests this year? Are you going to invite Fidel Castro?

[Answer] We shall see...we shall see....

[Question] Commander, is he going to be invited again? Yes or no?

[Answer] We shall see...we shall see....

ASSEMBLY OF WORLD NEWSMEN CLOSES IN MANAGUA

Salvadoran Charges

PA040341 Managua International Service in Spanish 0030 GMT 4 May 81

[Text] The world assembly of newsmen ended last night with an appeal to the organizations affiliated to the International Organization of Journalists and the Latin American Journalists Federation and to all the progressive and democratic newsmen of the world to urgently conduct an international campaign to counteract the misinformation unleashed by imperialism against Nicaragua.

The resolution contained in the declaration of Managua was also accompanied by the final document of the seminar on the transnational offensive against Nicaragua entitled: The Conspiracy Against Nicaragua.

At the assembly's closing ceremony, Mario Aguinada and Fabio Castillo, members of the Political-Diplomatic Committee of El Salvador's Farabundo Marti National Liberation Front [FMLN] and the Revolutionary Democratic Front [FDR], gave a news conference in which they denounced before the newsmen of the world attending the event the intervention of the United States in this country, which struggles for its liberation. We will now hear Salvadoran newsman Mario Aguinada:

[Begin recording] We estimate U.S. forces in El Salvador at approximately 300 men. Between 60 and 80 are military advisers and police advisers. The rest are marines who have come to the nation under the pretext of guarding U.S. properties and in some manner, especially those who have the rank of sergeant, also participate in support action for the commands.

We cannot affirm that there are North Americans fighting. But we can say something that is even more serious: U.S. advisers, U.S. officers are directing the war. It is U.S. officers who are directing the massacres, the repressive operations against our people. And something that is very serious is that between 10 and 12 percent of the officer corps is made up of these North Americans. The number may not mean very much, but the percentage is very large, and their influence is most notorious since they are advisers who are directing all the war plans. [end recording]

Repeatedly, Salvadoran revolutionaries have denounced U.S. intervention in the war of liberation being waged by this country. The Salvadoran revolutionaries of the FMLN-FDR Political-Diplomatic Committee also denounced the military presence of such nations as Argentina, Chile and Uruguay.

[Begin Guinada recording] There are Argentine, Chilean and Uruguayan advisers who are closely advising the troops; but above all, they are advising the police, these bodies that specialize in repression, in the cold and calculated massacre of citizens, of Salvadoran patriots.

We know how the Honduran Army, which also is attacking the free land of Sandino at this time, is implicated in all this as is the Guatemalan Army.

Normally, when the actions of our Morazan eastern front are intensified or when, as now, the enemy tries to attack and dislodge our forces, the Honduran Army sends troops to take possession of the border. Sometimes they even penetrate several kilometers into our own territory. The purpose is not only to guard their border, but also to contribute to the forces of the Salvadoran puppet enemy, with the objective of rejecting our strategic forces of the Morazan front.

It also happens on the area of the northern front, of northern Chalatenango or the central zone, which is the zone of [words indistinct]. Honduran troops also act as what we could describe as the rearguard of our country's forces.

As far as the Guatemalan Army is concerned, it patrols the border and more than once has penetrated into our country. [end recording]

UPN Accusations

PA041737 Managua Radio Sandino in Spanish 1200 GMT 4 May 81

[Text] The Union of Nicaraguan Journalists, UPN, denounced the campaign being waged against Nicaragua by the imperialists and the internal reactionaries before the world newsmen's meeting held in this capital.

In its detailed report, the UPN demonstrates that the UPI, AP and AFP transnational agencies issue misinformation and distort the image of the Nicaraguan process.

The UPN notes that the transnational agencies have assumed the right to determine what one people can be allowed to know about another and how the information that is issued should be focused.

According to the UPN, the main charges made to attack Nicaragua internationally are: Cuban-Soviet influence, the Marxist leanings of the Sandinist Front, totalitarianism in Nicaragua, exporting of the revolution, military problems on the border, and an image of an economic and political crisis.

The UPN document adds that a new thrust is being developed internally to try to divide the revolutionary camp. Other campaigns of the transnationals are directed toward questioning, without political analysis, the alliances and foreign policy of the revolutionary government. In addition, they attempt to show that the Sandinist Front is incapable of governing, that the front attacks religion and the unity of the family, and that it is attempting to bring economic chaos to the country.

These agencies were observed over a 30-day period this year and it was determined that 57 significant attacks were launched against the revolution, with 38 of them containing charges of exporting the revolution and 15 charging Cuban-Soviet influence in Nicaragua.

Borge Speech

PA040249 Managua International Service in Spanish 0030 GMT 4 May 81

["Excerpt" of speech by Tomas Borge Martinez, Nicaraguan commander of the revolution and minister of interior, at the closing session of the International Organization of Journalists in Managua on 1 May 1981--recorded]

[Text] This is a very complex task since communication transcends our borders. So these efforts must be joint efforts. Our own effort is not enough. The joint efforts of all the revolutionary peoples, of the progressive nations, of the anti-imperialist institutions and very especially, of the honest newsmen of the world are needed.

And this is basically what you represent: revolutionary decency. I don't know if you gave this congress a name. But if I could give it a name, I would name it: the Congress of Decency of the Peoples of Latin America and the World. [applause]

In free Nicaragua, the people in the news are not the same as yesterday. Now, who makes the news?

We recently recalled in Venezuela that our country was unknown in the world. It was an insignificant point in the middle of America, and if an ugly black man was asked where Nicaragua was, the ugly black man did not know. And perhaps even some of you did not know where Nicaragua was. But now, there is no place in the world where they do not know where this small country is located. Revolutions take peoples out of anonymity. Revolutions bring the history and the grandeur of nations to the surface. Today our country--small, unknown, poor and almost defenseless--is a symbol in Latin America. Today our country is recognized for its heroism, its courage and its audacity toward imperialism in all the countries of the world. [applause] I think we can affirm that Nicaragua is in the center of America's heart.

And now, who makes the news? We still remember the newspapers of long ago, and remember how the social events were reported. For example, that Miss So-and-so was marrying Mr So-and-so. Now, it is the workers, the peasants, the marketplace vendors, the militiamen, the combatants of the armed forces that make the news in Nicaragua. [applause]

It is not even men as individuals who make the news anymore. Now, as the song says, Somoza is becoming an old historic reference that is being buried and forgotten. When Nicaragua is mentioned--and this is something we have experienced--where we speak of Nicaragua, we speak of the national literacy crusade; we speak of a small, poor and almost defenseless country facing imperialism. This is the news of the Nicaraguans now. This is the news that is reported in the world when they speak of our small country, Nicaragua.

This news is the news we want you to broadcast. May all the nations of the world know and may this be heard in the four corners of the world, this which I believe is the principal news: Nicaragua and the Nicaraguan people are willing to die for our revolution and to defend our country, the land in which Sandino was born, the land in which Fonseca was born, to the last drop of blood. [applause]

Final Document

PA011833 Managua Domestic Service in Spanish 1509 GMT 1 May 81

[Final document of the meeting of the International Organization of Journalists, read in Spanish by Jiri Kubka, secretary general of the IOJ, at Managua rally on May Day--live]

[Text] Companeros: The IOJ meeting, after 3 days of debate, has approved the following Managua declaration:

Profoundly concerned over the growing intervention and the threats of aggression to the peoples of Central America and the Caribbean, journalists from 45 countries of every continent, of varying tendencies and ideologies, have held a world meeting of solidarity in Managua, capital of Nicaragua. [applause]

The organizations sponsoring our meeting, the International Organization of Journalists, the Latin American Journalists Federation and the Union of Nicaraguan Journalists, represent the support of more than 200,000 world journalists. [applause] This is the voice we raise urgently today from this free and heroic land, admired and loved by all good men on earth. [applause] We are addressing the media and journalists of all nations, the democratic and progressive governments, the peoples movements and organizations, the international public.

It is necessary to proceed as soon as possible to forestall the acts of aggression looming over the people in this area. [applause] Nicaragua has won the admiration and respect of all nations on earth. Nicaragua needs and deserves peace. Nicaragua should be given the effective, selfless aid of the richer nations. What can its enemies say about Nicaragua--that it got rid of the monstrous Somozist tyranny, that the entire people support the Sandinist Front and the revolutionary government? [applause; shouts of "people's power"]

Can anybody deny the extraordinary generosity and the democratic nature of the Nicaraguan revolution? There is wide-ranging freedom of the press whereby its enemies and slanderers can freely express themselves and the pluralist participation of various forces is permitted in the nation's political life.

The whole world should know the truth about what is happening. In open violation of the principles of international law, hundreds of Somozist guardsmen are training on U.S. territory. The United States is (?helping) reactionary governments in the area organize and arm thousands of counterrevolutionaries. The United States is tolerating and facilitating the [word indistinct] and accumulation of huge arsenals along the Nicaraguan borders.

In just 3 months the U.S. administration has undertaken an unprecedented escalation. It has sent hundreds of advisers and an incalculable amount of weapons and equipment to massacre the Salvadoran people. It is intensifying its support for the repressive armies of Guatemala and Honduras which it is using against the Salvadoran patriots and against their own peoples. It is attacking Nicaragua economically and is expediting plans to bring war back to this country.

The United States is threatening Cuba and trying to destabilize and destroy the heroic example of the small, courageous island of Grenada. It is turning Central America and the Caribbean into a powderkeg.

The United States is accumulating heaps of weapons. It is practicing with imperial brazenness an intervention policy which may endanger not only the destiny of these peoples but world peace.

The meeting calls on the organizations and journalists of the world to carry out an intense international campaign to denounce the aggressive actions by imperialism in the area and to unmask its slanders by disseminating the truth about Nicaragua and the struggle of the peoples of El Salvador, Guatemala and the other nations in the area.

We have been moved by the revolutionary reality we have seen during our visit to this country. The [word indistinct] of the Nicaraguan people--their unity, their strength, their purity--confirms us in our conviction that no force on earth will be capable of twisting the course of the Sandinist revolution. [applause] By the same token, no interventionist maneuver and no reactionary policy can stop the march of the peoples of Central America and the Caribbean toward freedom, justice and independence.

Free fatherland or death! [applause]

REACTION MIXED TO JUNTA DECREE ON STATE COUNCIL

MLC Leader Hails Admission

PA042112 Managua Radio Sandino in Spanish 1200 GMT 4 May 81

[Text] The Nicaraguan revolutionary government has granted the Constitutionalist Liberal Movement [MLC] the right to representation in the State Council, the council of the people. Radio Sandino now interviews Ramiro Sacasa Guerra with regard to this representation, its significance and through whom it will be effected.

[Question] Ramiro Sacasa Guerrero, here at the Extra newscast of Radio Sandino, we would like to hear your opinion of the government junta decree amending Article 116 and also providing for the MLC's participation in the State Council.

[Answer] Good morning, distinguished friend. It is really good news that you give me, to the effect that the junta of the Government of National Reconstruction, heeding the request that the MLC has been making for over a year, has agreed to grant it representation in the State Council.

[Question] When will the MLC choose its representative and how will it go about this?

[Answer] The MLC board of directors, of course, chose the representatives to the State Council in August 1979. Those representatives were chosen with the participation of the national as well as regional directors. I was chosen as delegate with Antonio Jose Quintanilla as alternate.

Of course, in view of the time that has elapsed, we feel that there must necessarily be a new nomination, and we will summon the national and department directors to a very urgent meeting to elect the new delegates. [passage indistinct]

[Question] [Words indistinct] what possibility is there that your group will give total support to the people's movement against any intervention and give economic support to the plans of the Nicaraguan people?

[Answer] It is my understanding that all organizations that participate in the dialogue--and in saying all, I refer both to the government organization that has promoted the dialogue and to the organizations that have been invited to it--all the participants in the dialogue have good intentions in jointly searching for solutions to the problems with which the country is afflicted. The only thing our parties maintain is that the problem of the aggression, for example, that the Sandinist Front states may come from abroad, should be seen in conjunction with all the other problems that exist in relation to the actions of the government. In other words, we feel that whatever comes from abroad will be firmly linked to the actions of the government in the months that have gone by since the revolutionary triumph.

Opposition Criticism

PA042047 Panama City ACAN in Spanish 1621 GMT 4 May 81

[Text] Managua, 4 May (ACAN-EFE)--Nicaragua's opposition parties today expressed their *disagreement with and rejection of the State Council reorganization* ordered this weekend by the national reconstruction junta.

By means of a decree amending the nation's fundamental statute, the government junta raised the number of State Council members from 47 to 51. Some 29 organizations were formerly represented in the State Council, but now with the reorganization 32 organizations will be represented in this auxiliary parliament.

Through authorized spokesmen, the opposition political parties have stated that the new composition of the State Council "constitutes a unilateral action by the Sandinist Front."

According to them, with the admission into the State Council of four organizations allied with the Sandinist Front and only one democratic organization, the opposition has become a minority.

The opposition spokesmen added that the continuation of the national coexistence talks that have been taking place with high-ranking Sandinist leaders "has been endangered" by the new composition of the State Council.

Ramiro Sacasa, leader of the Constitutionalist Liberal Movement, the last opposition organization admitted into the State Council, has said that the right given to his party to sit in the State Council "is a positive sign but does not evince an effective pluralism."

Sacasa announced that his organization will attend the State Council sessions that will be resumed today at a solemn ceremony in the Ruben Dario Theater. The event will be presided over by the magistrates of the Supreme Court of Justice.

Meanwhile, government junta member Sergio Ramirez Mercado commented that with the reorganization of the State Council, most of the country's organizations are now represented in it.

For its part, the Sandinist government has affirmed that it will give greater legislative effectiveness to the State Council, empowering it to convoke extraordinary sessions and to take legal initiatives to submit bills.

MDN ANNOUNCES WITHDRAWAL FROM STATE COUNCIL

PA012220 Managua LA PRENSA in Spanish 23 Apr 81 p 16

[MDN communique dated 22 April 1981]

[Text] To our Nicaraguan brothers and all the peoples of the world:

The Nicaraguan Democratic Movement [MDN], loyal to its total surrender to the revolution which, with everyone's efforts put an end to the dictatorship that oppressed our people and, consequently with the principles of that same revolution, which seeks deep changes to achieve the true liberation of the great alienated and impoverished majority, considers it its duty to express itself publicly at this crucial hour for Nicaragua.

Since it was founded, the MDN has sought the establishment of a new society that will give peace, justice and well-being to our people without any differences. To this end, the MDN has participated in various degrees in the struggle for liberation since conscience and a revolutionary commitment toward the Nicaraguan people so demanded.

The final victory, the product of everyone's effort, was authentically expressed in the government plan and the fundamental statute, two documents that reflected our beloved Nicaragua's anxiety for liberation from any type of oppression and which received the massive and disinterested support of all Nicaraguans of revolutionary convictions and the friendly countries that desire our economic and social development.

The National Reconstruction Government plan established the free participation of all political parties, social strata and religious beliefs so that together, forming a government of national unity, we all undertake the task of rebuilding our country with equity, responsibility and liberty.

The MDN's participation in the national reconstruction has been, is and will be total and effective; total because of our willingness to sacrifice partisan postures before national interests and effective in the sense that we will continue to work with all our strength for the maintenance of the program with the understanding that it will permit the satisfaction of the primary needs of the great majority.

The most recent political events through which Nicaragua is now passing lead us to believe that those with whom we are participating in the government are fostering or allowing actions that contradict and harm the fundamental principles of the national reconstruction plan, making it increasingly difficult for our participation to effectively guarantee social peace, true political pluralism and authentic freedom, necessary bases for the economic growth and the just participation of all sectors in a process of democracy to which our people have aspired so much.

With special interest, because it is an issue of prime importance, the MDN tried through various channels to prevent the structuring of the State Council as well as other very important resolutions from being achieved in ways contrary to the National Reconstruction Government plan.

It is our conviction that the State Council should be formed while taking into account the disappearance of various organizations and the birth of mass organizations, maintaining the original balance.

Despite all this, the decree that establishes the new structure of the State Council revives in it the repressive totalitarian apparatus that brings such bad memories for Nicaraguans.

Because of all the above, the MDN resolves:

-To refrain from participating in the State Council whose composition, although it welcomes the well-deserved participation of mass organizations, is not in proportion to the balanced participation of all the segments of the national community and also disrespects the support this community gave to the National Reconstruction Government plan.

-To refrain from participating in the Patriotic Front of the Revolution while actions are being taken that damage the principles of equality, political pluralism and authentic democracy, which are basic for preserving unity and economic, political and social development.

-To call upon the Nicaraguan people to maintain their unbreakable determination of liberty, peace and justice, seeking actions to correct the deviations of our revolution and favoring those that maintain unity for the benefit of the workers and peasants of Nicaragua.

-To maintain their position within the process of a true revolution, genuinely and authentically Nicaraguan, in a permanent search for great social political and economic improvements for the great majority, in a climate of social peace, within the framework of equity for all Nicaraguans and allowing the authentic democratic liberties our people have always desired.

At this historical hour, we ratify the postulates contained in our ideals and emphasize that within revolutionary concepts, we pursue socialism in liberty.

We believe in the self-determination of peoples and in the policy of nonintervention. We reject all imperialist influence, from wherever it may come.

We foster democratic pluralism and the establishment of a free and just society in which all Nicaraguans may struggle and progress together.

In withdrawing our participation from the government's political work, forced by all the extreme conditions in our fatherland, we swear we will struggle for democracy, liberty and the well-being of our people, trusting in God and with the hope of a new Nicaragua, as it was dreamed by our general of free men, Augusto Cesar Sandino with his cry:

Free fatherland and liberty.

National Council of the Nicaraguan Democratic Movement.

CLANDESTINE STATION BROADCASTING FROM NICARAGUA

PA011614 [Editorial Report] (Clandestine) Radio 15 September in Spanish to Nicaragua was heard on 5565 kHz with poor to fair reception on 28 April. Station signs on at 0400 GMT with the national anthem of Nicaragua and then identifies itself as follows:

"Listen, Nicaraguans brothers. This is Radio 15 September, the voice of a people who are determined to be free, the voice of the 15 September Legion, the army of independence. Radio 15 September is transmitting on this same frequency from somewhere in the fatherland to the people of Nicaragua at 5:30 AM (1130 GMT) and 10:00 PM (0400 GMT)."

Programming consists of slogans against the Sandinist government, Somozism, Marxism and communism; announcements and music. The station identification is repeated several times. Radio 15 September signs off with the national anthem of Nicaragua at 0455 GMT.

The clandestine station was heard on 5565 kHz with poor to fair reception from 1130 to 1200 GMT 29 April through 1 May.

BRIEFS

SOVIET VACCINE DONATIONS--The Soviet Red Cross has donated to Nicaragua 2 million doses of vaccines to prevent various diseases. The note for the donation was presented by the Soviet ambassador in Managua to the health minister, who was also invited to visit the Soviet Union to discuss future aid. The Soviet Red Cross also donated 3,000 blood transfusion systems. [Managua EL NUEVO DIARIO in Spanish 26 Apr 81 p 1, 10 PA]

CZECHOSLOVAK TECHNICAL ASSISTANCE--A Czechoslovak delegation met Tuesday with Planning Minister Henry Ruiz to discuss the arrival of five technicians to assist Nicaragua in mineral, energy, nutrition, cooperatives and metal-mechanic matters. The possibility that 10 Nicaraguan technicians might be trained in Czechoslovakia for a year is also under discussion. [Managua BARRICADA in Spanish 23 Apr 81 pp 1, 16 PA]

SWEDISH DONATION--A valuable donation by the Swedish Committee of Solidarity With Nicaragua arrived here yesterday aboard a freighter. The donation consisted in dental equipment for four clinics in the Atlantic area. [Managua Radio Corporation in Spanish 2300 GMT 29 Apr 81 PA]

TEXT OF CASTRO MESSAGE TO NONALIGNED LEADERS

FL041918 Havana Domestic Television Service in Spanish 1800 GMT 4 May 81

["Text" of message from Commander in Chief Fidel Castro, chairman of the Nonaligned Countries Movement, to chiefs of state and government of nonaligned countries; date not given--read by announcer]

[Text] Your Excellency: The chairman of the PLO Executive Committee has sent me this dramatic message denouncing the continuous and brutal aggression by Israeli forces against the Lebanese people and the Palestine patriots in southern Lebanon, using for this purpose the arms that U.S. imperialism continues to deliver to Israel against the protest of all peoples of the world.

On conveying this message and in fulfillment of the permanent stand of the Nonaligned Countries Movement ratified at the sixth summit in Havana, I urge you to join the already existing worldwide protest against those Israeli aggressions and to work together using all means possible to stop this inhuman aggression.

To this effect, I have instructed our permanent representative at the United Nations to convoke the Coordinating Bureau directly in order to examine what actions must be immediately adopted by the movement in support of the heroic Palestine people.

In the certainty that you will give this message the urgent attention that the problem requires, I assure you of my esteem and I salute you,

[Signed] Fidel Castro Ruz, chairman of the Nonaligned Countries Movement

ENVOY REJECTS UN VETO ON BEHALF OF NONALIGNED

FL021405 Havana Domestic Service in Spanish 1200 GMT 2 May 81

[Text] The Nonaligned Countries Movement has energetically rejected the veto exercised by the United States, France and Great Britain at the UN Security Council meeting, invalidating the petition for sanctions against the South African regime. As chairman of the Nonaligned Countries Movement Coordinating Bureau, Cuba's permanent representative stated at the conclusion of the UN Security Council meeting that the nonaligned countries rejected the veto exercised by those countries against the legitimate demands of the majority of the members of that body and the UN General Assembly.

Roa stressed that the veto had been exercised once more against the freedom, self-determination and independence of the people of Namibia. The Cuban diplomat stated that the governments exercising the veto are the same ones which, due to their close ties to the Pretoria regime, could exert some influence in making that country abide by the UN petition. He added that it is a heavy responsibility for the UN Security Council to find itself with its hands tied, even to the point that it cannot apply the precepts of the UN Charter. He said that the decision of these three countries is not the correct way to restore peace and security in southern Africa, make justice prevail in international relations or guarantee independence, sovereignty and territorial integrity of area states. The veto, Roa noted, sets back still more the time for putting an end to causes generating instability, insecurity, war and oppression in southern Africa. He recalled that the majority of the UN Security Council members and numerous ministers who spoke at the meeting had referred to the delinquent behavior of the Pretoria regime and that the veracity of their statements was a good reason for expecting a different result in the voting.

OFFICIAL COMMENTS ON RELATIONS WITH CARIBBEAN

FLO42223 Bridgetown CANA in English 2155 GMT 4 May 81

[By Paget Defreitas]

[Text] Havana, Cuba, 4 May (CANA)--Cuba is interested in developing relations with its neighbors in the wider Caribbean on the basis of mutual respect and benefit, the head of the Caribbean desk of the Cuban Communist Party, Osvaldo Cardenas, [has said] here.

Senor Cardenas said that Cuba had every reason for wanting (?closer) relations with the region, (?as) it shared a common sea, history, cultural values, problems, and which, outside Mexico, was [the] largest market for non-traditional goods. "On the principle of respect and mutual benefit we are interested in developing relations," he said.

The fact that there were pro-Western governments in Jamaica and (?Barbados)--with this communist island which already had relations--or in any other country provided no hinderance for cooperation with (?Cuba), Senor Cardenas said. [sentence as received]

He told visiting journalists: "We are what we are. We are socialists and nobody can change that, so you must respect (?what we) are. Those countries which are not socialist we respect what they are."

Senor Cardenas said that often it was not because countries in the region did not want to develop relations with Cuba, but they responded to pressures from the United States, which still harbored hopes of destroying the Cuban revolution. "We don't think it is Cuba and those countries who do not want to develop relationships, but they are under pressure from the United States," he said.

"It is not a question of understanding Cuba, it is a question of money, and question of pressure exerted on several Caribbean countries by the United States." "Relations with us irritate the United States which still has not accepted the fact of the Cuban revolution."

On the question of having the Caribbean declared a zone of peace, Senor Cardenas said that there were four objective conditions to be met:

The removal of all military bases in the area, (?several) of which he said were stacked with nuclear weapons,
The elimination of all colonial territories,
The ending of all efforts to destabilize governments which the United States did not believe were following the correct political and economic path,
And the cessation of all military maneuvers in the Caribbean Sea.

"It is not enough to make rhetorical statements, it has to be backed by action," Senior Cardenas said. On the issue of Belizean sovereignty, he said that Cuba would be glad if Belize reached its independence with its territorial integrity, following the Anglo-Guatemalan agreement which should see the British colony reach nationhood by year-end without the threat of Guatemalan invasion. "It is the duty of the Caribbean and Third World countries to see Belize achieves its independence with territorial integrity to make sure there is not the development of a situation that could be a threat to the region."

FOREIGN MINISTRY DENIES COLOMBIAN FLIGHTS BANNED

PA010300 Havana International Service in Spanish 0000 GMT 1 May 81

[Text] The Cuban Foreign Ministry has issued a declaration denying an AFP dispatch dated 24 April claiming that Cuba, in retaliation for the break in diplomatic relations, has banned Colombian civil aviation from overflying Cuban territory.

The document says that no country, not even those which have no contacts with Cuba, has been banned from using the sector of national territory assigned to international transit.

The Cuban Foreign Ministry says that the Cuban aeronautical authorities have denied permission to overfly our territory when the airlines do not obey existing regulations. The Cuban Foreign Ministry adds that from the beginning of the year until 23 April, Colombian airlines have made 1,391 flights over Cuba, 34 of which were banned.

AUTHORITIES RETURN HIJACKED SHIP TO HAITI

PA032005 Paris AFP in Spanish 2256 GMT 2 May 81

[Text] Port-au-Prince, 2 May (AFP)--The Cuban authorities arrested and disarmed a commando group of 19 Haitians, who hijacked a Haitian ship, which they planned to take to Miami, the newspaper LE NOUVELLISTE reported here today.

The ship, L'Arthemise, on a routine cruise from Port-au-Prince to Jeremie was hijacked by 19 men, who forced the ship's crew to sail in direction of Miami, LE NOUVELLISTE reported.

However, due to mechanical failure they ordered the skipper of L'Arthemise to go to Cuba instead of Miami, where they were arrested, disarmed and handcuffed by the Cuban authorities, who afterwards returned the ship to Haiti.

L'Arthemise is back in Port-au-Prince where the police took the hijackers in custody, LE NOUVELLISTE concluded.

RODRIGUEZ MEETS ENERGY ORGANIZATION FOUNDERS

FL020034 Havana Domestic Service in Spanish 0000 GMT 2 May 81

[Text] A group of prominent Latin Americans who founded the Latin American Energy Organization--OLADE--has been received by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers. The former Peruvian minister of mines and energy, Gen Jorge Fernandez Maldonado; the former Venezuelan minister of mines and energy, Hugo Perez Lasalvia; and the former Ecuadorean minister of natural resources and energy, Rear Adm Gustavo Jarrin Ampudia, formed the group of distinguished figures who have defended the natural resources of Latin America.

The meeting was held in a cordial atmosphere. Matters regarding the development of OLADE were discussed at the meeting, as well as prospects for an energy cooperation plan in Latin America and Cuba's cooperation with OLADE in the field of new and renewable energy sources.

LABOR COOPERATION PLAN SIGNED WITH SRV DELEGATION

OW020831 Hanoi VNA in English 0813 GMT 2 May 81

[Text] Hanoi, 2 May (VNA)--A cooperation agreement for the period 1981-1985 between the Vietnamese Ministry of Labour and the Cuban State Committee for Labour and Social Security and a cooperation plan between the two ministries for 1981-1982 were signed recently in Havana.

Dao Thien Thi and Joaquin Benavides, minister of the respective ministries signed the documents on behalf of their governments.

While in Cuba, the Vietnamese delegation led by Dao Thien Thi had working sessions with the State Committee for Labour and Social Security of Cuba, called at the Institute of Labour Research and the Ariguanabo textile mill.

ST LUCIAGOVERNMENT CRISIS CONTINUES, NEW LEADER NAMED

Government Under Pressure

FL041536 Bridgetown CANA in English 1457 GMT 4 May 81

[Text] Castries, Saint Lucia, 4 May (CANA)--Trade unionists, opposition parties and other groups pressuring the government to resign were today awaiting a major announcement on the crisis in the ruling Labor Party. Usually reliable sources said the announcement was expected early today--hours before groups were due to step up their pressure on the government by escalating industrial action. Prime Minister Allan Louisy has resigned and efforts to choose a successor are dragging on.

Cenac Appointed Prime Minister

FL041644 Bridgetown CANA in English 1635 GMT 4 May 81

[Excerpt] Castries, St Lucia, 4 May (CANA)--The office of the acting governor general today announced the appointment of Mr Winston Cenac, a former attorney general, as prime minister of St Lucia, succeeding Allan Louisy who resigned last Thursday.

Cenac's Appointment Criticized

FL041848 Bridgetown CANA in English 1838 GMT 4 May 81

[By Ervine Seon]

[Excerpt] Castries, St Lucia, 4 May (CANA)--Today's appointment of a new St Lucian Prime Minister--government backbencher and attorney Winston Cenac--ran into early criticism.

Cenac's appointment was the latest move aimed at ending a political crisis here rooted in a vicious leadership struggle between Foreign Minister George Odum and Allan Louisy, who resigned last Thursday as prime minister.

Odum, who has for more than a year now led a faction of the divided Labor Party in power here since July 1979, said the mood of the country would not allow a government under Cenac to survive. He said his faction of the party would certainly not support such a government.

Opposition leader John Compton, whose United Workers Party (UWP) ruled St Lucia for 15 years prior to Labor's last victory at the polls, said Cenac's appointment was an act of provocation in the face of public calls for fresh general elections.

"It appears that persons in authority are seeking a confrontation with the [word indistinct] and Mr Cenac should be sufficiently patriotic to know that his first action as prime minister should be to dissolve the House (of Assembly)," Compton said.

Compton, whose UWP is thought to stand the best chance of capturing the government if fresh elections are called, has been in the forefront of widespread calls for the dissolution of Parliament.

ST VINCENTDEPUTY PRIME MINISTER TANNIS ON ST LUCIA CRISIS

FLO21906 Bridgetown CANA in English 1823 GMT 2 May 81

[Text] Kingstown, St Vincent, 2 May (CANA)--St Vincent's Deputy Prime Minister Hudson Tannis said here that he did not believe the resignation of St Lucian Prime Minister Allan Louisy could by itself solve the political crisis there. Mr Tannis said that an early resolution of the issue was necessary, irrespective of what form it takes, so that a government could be instituted to properly run St Lucia's so that a government could be instituted to properly run St Lucia's affairs.

Mr Louisy resigned last Thursday, after a leadership crisis that has dominated the near 2-year-old government. Mr Tannis, who is also his country's foreign minister, said that the person under the constitution apparently vested with the appropriate power to resolve the crisis, did not realise at a very early stage the extend of his power and the appropriate action that he could have taken.

The St Vincent minister did not elaborate, but the remarks appeared to be directed at St Lucia's acting Governor General Boswell Williams who feared himself powerless to impose a solution mainly that he dissolve Parliament and call general elections.

FORMER LEADER CRITICIZES ST LUCIA'S LOUISY

FLO41654 Bridgetown CANA in English 1643 GMT 4 May 81

[Excerpt] Kingstown, St Vincent, 4 May (CANA)--An early general election in Saint Lucia seems to be "the best and most sensible answer" to the political upheaval in the neighboring Caribbean Community (CARICOM) member country, former St Vincent Premier James Mitchell said today. The establishment of an interim government to run the country until a next election officially becomes due would hardly solve the newly independent states problems, Mitchell suggested.

His comments followed the resignation last Thursday of Saint Lucia's Prime Minister Allan Louisy, who was caught up in a power struggle with Foreign Minister George Odlum. It also came amidst bogged down efforts to find a replacement for Mr Louisy who would be capable to healing the rift in the ruling Saint Lucia Labor Party.

Mitchell, who has just returned from Saint Lucia, accused Louisy of "ignoramusly" giving up the Prime Ministership. He said Louisy should have fully advised acting governor-general, Boswell Williams, of the next move to be able to help resolve the problems. Louisy should also have tried to resolve the squabble in the party before deciding to resign, Mitchell said.

Mitchell was the second Vincentian politician to comment on the political struggle, after foreign minister and deputy prime minister, Hudson Tannis.